



CHAPTER 119

An Act to incorporate The Hebrew Loan Syndicate

[Assented to, the 22nd of March, 1928]

WHEREAS The Hebrew Loan Syndicate, duly constituted under the provisions of the Quebec Syndicates' Act (Revised Statutes, 1909, articles 6762-6811), now the Quebec Coöperative Syndicates' Act (Revised Statutes, 1925, chapter 254), has, by its petition, represented that it is desirous that a new corporation be formed for the purpose of assuming and continuing the affairs of the said Syndicate but with more ample powers and better defined rights and privileges; Preamble.

Whereas it has prayed for the passing of an act for the aforesaid purposes and whereas it is expedient to grant such prayer;

Therefore, His Majesty, with the advice and consent of the Legislative Council, and of the Legislative Assembly of Quebec, enacts as follows:

1. The said The Hebrew Loan Syndicate, its members, their successors and assigns and all other persons who may become members, are and shall be and shall continue to form a corporation under the name of "The Hebrew Loan Syndicate", hereinafter called the "corporation". Incorporation.

2. The corporation may acquire all the property, movable and immovable, obligations, contracts, rights and claims of The Hebrew Loan Syndicate, duly constituted under the provisions of the Quebec Syndicates' Act (Revised Statutes, 1909, articles 6762-6811), now the Quebec Coöperative Syndicates' Act (Revised Statutes, 1925, chapter 254), and may assume all the debts and obligations incurred by the said Syndicate, and it shall not be necessary, as to the transfer of debts, to have the deed of acquisition served or registered. Acquisition of property, etc.

President, etc., of Syndicate continued in office. **3.** The president and other officers of the Syndicate, now in office, shall continue to exercise their duties in the corporation, as hereby constituted, until replaced in conformity with the by-laws of the corporation and the provisions of this act.

By-laws continued. The present legal by-laws of the Syndicate shall continue to be by-laws of the corporation constituted by this act until amended or repealed under the provisions of this act.

Head office. **4.** The head office of the corporation shall be in the city of Montreal.

Capital. **5.** The capital of the corporation shall consist of the sum of one hundred and fifty thousand dollars divided into fifteen thousand shares of ten dollars each, and below which amount the said capital shall never be reduced. The capital of the corporation, however, may be increased by successive payments and by subscribing for more shares by the members, or by the admission of new members, and it may be reduced by the total or partial withdrawal of the amounts contributed, provided it be not so reduced below the aforesaid sum of one hundred and fifty thousand dollars.

Membership. **6.** The membership of the corporation shall be limited to persons who are shareholders in the said corporation and of the Hebrew race and religion, who are capable of contracting and possess a good and moral character, and who are domiciled within the limits of the Island of Montreal, but the operations of the corporation are not restricted as to territory.

Shares. **7.** The shares shall be in the name of the holder and may only be transferred in accordance with the by-laws of the corporation.

Powers: **8.** The corporation shall have the right to, and it may:

- a. Buy, for re-sale to the members of the corporation only, businesses or going concerns, and such articles or things as are necessary for the support of life or for the works of their industry; open up credits for them and make loans to them; establish works in common for such members or allow them to devote themselves to processes of production and to sell the products thereof, either collectively or individually;
- b. Acquire by purchase, lease, exchange, or otherwise, and use, hold and acquire, lands, tenements, hereditaments, immoveables, and interests therein, and generally to carry on, for the benefit of its members, business, with

the power of purchasing, holding, developing, improving, clearing, settling, cultivating, renting, exchanging, selling and otherwise dealing with and disposing of real estate and lands, whether cultivated or not, and any interest or right therein;

c. Make advances by way of loans to purchasers or lessees of any part of the corporation's real estate for building purposes and other improvements;

d. Aid by way of loans and advances and take security therefor or otherwise assist in the acquisition, construction and maintenance of real estate and immoveable property;

e. Take and hold mortgages, hypothecs, liens and charges to secure the payment of monies advanced to owners, purchasers or builders of real estate;

f. Purchase, take on lease or exchange, hire or otherwise acquire any personal property, and any rights or privileges which the corporation may think necessary or convenient for the purpose of its business, and for the common benefit of its members, and in particular, any machinery, plant or stock-in-trade;

g. Transact any loaning and investment business, except the business of banking, with the same rights and powers over the investment of its capital as an ordinary individual;

h. Take or otherwise acquire and hold shares of any other company having objects altogether or in part similar to those of the corporation, or carrying on any business capable of being conducted so as directly or indirectly to benefit the corporation;

i. Borrow money in such sum or sums, at such rate of interest and on such terms and conditions as may be thought proper; bind the corporation to the repayment of the sums so borrowed and interest thereon and to the fulfilment of the terms and conditions, and, if deemed advisable, hypothecate or pledge the whole or any part of the corporation's immoveable or moveable property to secure the repayment of the sums so borrowed, and the interest, and the fulfilment of the terms and the conditions;

j. Distribute among the shareholders of the corporation, in kind, as dividends legally declared, or as provided by section 81 of the Quebec Companies' Act (Revised Statutes, 1925, chapter 223), any property of the corporation, and in particular any shares, debentures or securities of any companies belonging to the corporation or which it may have power to dispose of;

k. Appear before the courts in the same manner as any person may do, and generally exercise all the powers belonging to an ordinary civil corporation, and specially the powers which may serve for carrying on its undertakings.

- Security bond.** **9.** All employees and officers of the corporation having the handling or custody of the general funds thereof shall give a security bond. The nature and amount of the security bond shall be left to the discretion of the majority of the members of the board of management.
- Quorum.** **10.** Twenty-five members shall be required to form a quorum at any meeting.
- Vote.** No shareholder may vote by proxy and each shareholder shall have one vote only whatever may be the number of his shares.
- Majority.** **11.** The decision of the general or extraordinary or special meetings shall be given by the majority of the votes. In case of a tie, the president shall have a casting vote.
- General meeting.** **12.** The general meeting shall be held each year, within the sixty days following the close of the fiscal year, to take cognizance of the annual report for the previous term and to consider generally the business of the corporation.
- Calling thereof.** Such meeting shall be called in a manner prescribed by the by-laws.
- First meeting.** **13.** The first meeting held for the organization of the corporation and for the election of officers and the passing of the by-laws may be held at any time, but without undue delay after the coming into force of this act. The notice calling the meeting shall be given in the manner now prescribed under existing by-laws for the calling of a general meeting. The officers elected at such meeting shall remain in office during the current term and, in all cases, until the election of their successors.
- By-laws.** **14.** The members of the corporation, in general meeting assembled, may pass by-laws to determine the conditions of the admission of members, the issue of stock-certificates, the mode of subscription, allotment, registration and transfer of shares, the forfeiture of shares for non-payment, the mode of payment and the amount of the instalments, the holding of meetings, whether annual general, regular or special, the mode and place of convocation thereof, and all matters incidental thereto not otherwise specially provided for by the present act, the system of bookkeeping to be followed, and generally all things not contrary to the laws of this Province, connected with the internal government and the business or objects of the corporation.
- Committees, etc.** They may also, by by-law, create boards or committees

other than those provided for by this act, with such names and functions as may seem best adapted to the proper working of the corporation.

They may also, by by-law, order the creation, out of a Funds. portion of yearly profits, of one or more funds under such name as they may select, which funds cannot be wholly or partially divided among the members, except in the case of dissolution. Such by-laws shall prescribe the amount and the manner of forming such funds, their object and management, and the conditions required to vary the same, the proportion of the yearly profits to be set apart for their accumulation and the amount they must respectively attain.

15. The members of the corporation, in general meeting Powers of assembled, shall define the manager's powers and duties, members in and shall decide upon the dissolution of the corporation, the general amendment of its by-laws and other questions of interest meeting assembled. to the corporation. They shall hear appeals from decisions of the board of management or the committee of credit, as the case may be, whenever there shall be an appeal therefrom for that purpose by two members of the corporation, and may reverse or approve the decisions of the board of management or of the committee of credit, provided the contracts entered into with third parties be not affected.

16. Amendments to the by-laws can only validly be Vote on voted by three-fourths of the members of the corporation amendments to present at a meeting specially adjourned for that purpose to by-laws. a future date.

17. The dissolution of the corporation cannot be de- Dissolu- cided upon if at least ten members object thereto. tion.

The meeting which decides upon the dissolution shall Liquidators. appoint one or three liquidators by mere majority vote.

18. At the first general meeting of the members of the Board of corporation and annually thereafter, there shall be elected, management. from the said members, a board of management and a committee of credit, with the powers and attributes herein Committee provided or accorded under the by-laws of the corporation. of credit.

19. The board of management shall be composed of nine members and shall remain in office during the year Composition of immediately following the annual meeting, and until the board of election of their successors. They may be re-elected. management.

20. The board of management may, within the scope Powers of

board of
management.

of this section and of the by-laws of the corporation, deliberate, transact, compromise and provide for all things affecting the interest of the corporation and, in particular, it may:

a. Settle the terms of every contract, being careful to see that the interests of the corporation are fully secured;

b. Obtain hypothecary securities for the benefit of the corporation, and give discharges therefor, acquire immovables by sale with right of redemption or otherwise, and sell the same either publicly or by private sale;

c. Engage such paid employees of the corporation as it may deem advisable, and determine their remuneration;

d. Represent the corporation in any judicial proceeding, appeal from judgments, and prosecute seizures of immovables or moveables until fully satisfied;

e. Exercise, *mutatis mutandis*, the powers of directors of joint-stock companies governed by the provisions of Part II of the Quebec Companies' Act (Revised Statutes, 1925, chapter 223), except insofar as same are incompatible with the provisions of the present act.

Officers
thereof.

21. The board of management shall select annually, from its members, at its first sitting following the annual general meeting, a president, a vice-president, a secretary and a treasurer of the corporation. The office of the manager shall be filled by the president only.

Meetings
thereof.

22. The board of management shall meet as often as may be required in the interests of the corporation, upon being convened by the president or the vice-president.

Committee
of credit.

23. In addition to the board of management, and outside the members thereof, the general meeting shall appoint a committee of credit composed of at least six members. They shall remain in office during the year immediately following the annual meeting and until their successors are elected. They may be re-elected. The committee of credit shall alone have absolute control of the loans, whenever such loans are made, saving the recourse by way of appeal to the general meeting under section 15. Nevertheless, the members of such committee shall neither directly nor indirectly borrow from the corporation nor become security for any borrower.

Services
gratuitous.
Payment of
manager.

24. The services of the members of the board of management and of the committee of credit shall be gratuitous. The manager may be paid for his services.

25. No person shall be elected as member of the board of management or of the committee of credit unless he shall be the owner in his own right of at least one share of the capital-stock of the corporation, and unless all indebtedness that may be due and exigible from him shall previously have been paid to the corporation. Eligibility.

26. The accounts of the corporation shall be kept by the manager under control of the board of management. Keeping of accounts. The accounts of the corporation shall be closed every year at the end of the fiscal term.

27. The manager shall prepare a report of the affairs of the corporation, and such report shall contain: (1) the list of the members of the corporation at the close of the previous fiscal term; (2) a separate and distinct list of the members admitted and withdrawn during the last fiscal term; (3) a summary statement of the assets and liabilities of the year, showing the profits and losses; (4) all other information required for the purpose by the by-laws of the corporation. Report of manager.

28. The accuracy of such report shall be attested by the manager on oath taken before a justice of the peace. Attestation of report.

29. The general meeting taking the report as a basis shall determine the amount of the profits, which it shall allot. Allotment of profits.

30. Individual members of the corporation cannot under any pretext apply for the affixing of seals upon the books and property of the corporation nor demand the division or licitation of its property or reserve-fund, nor interfere in any manner with the management. They shall for the exercise of their rights be bound by the decision of the general meeting. Restriction on individual members.

31. The board of management may dismiss any member who has not carried out his engagements with the corporation. It may also dismiss from the corporation any member who has been convicted of a criminal offence, who refused to comply with the provisions of the by-laws, whose private life is a source of scandal, or who becomes insolvent, or bankrupt, or is interdicted. The minutes of the meeting of the board of management respecting the dismissal of any member shall set forth the facts giving rise to such dismissal, and a true copy shall be addressed to the dismissed member within two days by registered letter. Dismissal of members.

Payments
after with-
drawal or
dismissal.

32. No member who has withdrawn or become dismissed can demand the winding up of the corporation. The amounts entered on the current account of the members who have withdrawn or been dismissed shall be paid to them from time to time as the funds realized by the corporation, not absorbed by the corporation's debts then exigible, are paid in. The payments shall be made in the order of the withdrawal or dismissal, without prejudice to the provisions of this act as to the minimum figure of the capital and provided also that the corporation has not been put into liquidation by dissolution or otherwise during the three months immediately preceding the withdrawal or dismissal of such members.

Recovery by
heirs, etc.

33. In case of the death, insolvency, bankruptcy or interdiction of a member, his heirs, creditors or representatives shall recover his share in the manner determined by section 32 provided always that the capital cannot be reduced under the minimum fixed in this act.

Signature
of extracts.

34. All extracts from the minutes shall be signed by the president or the vice-president, or by the secretary.

Corporate
seal.

35. The corporation shall have a corporate seal of such design as the board of management shall determine, which seal shall, whenever used, be authenticated by the signature of the president, vice-president, secretary or treasurer.

Provisions
applicable.

36. The provisions of Part II of the Quebec Companies' Act (Revised Statutes, 1925, chapter 223) shall apply, *mutatis mutandis*, to the corporation insofar as not incompatible with the provisions of the present act nor derogated from thereunder.

Acceptance
of act by
present
share-
holders.

37. This act shall apply only from the date at which it be accepted by the majority in number and in value of the shareholders present at a general meeting of the Syndicate called for the purpose, in accordance with the present by-laws, and, after the publication, in the *Quebec Official Gazette* during two consecutive weeks, of a notice indicating and mentioning that such was the decision of the majority in number and in value of the shareholders present at the said meeting.

Coming into
force.

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