



CHAPTER 129

An Act to validate by-law No. 24 of The Mount Royal Hotel Company, Limited

[Assented to, the 1st of April, 1927]

WHEREAS The Mount Royal Hotel Company, Limited Preamble.
has, by its petition, represented:

That the by-law set out in Schedule "A" to this act has been enacted by the directors of that company;

That the said by-law has been sanctioned, approved, ratified and confirmed by the unanimous vote of the shareholders present at a special general meeting of the company duly called and held for the purpose of considering the same;

That it is therefore expedient that the said by-law be declared legal and valid and binding upon the company and all its shareholders; and

Whereas the company prays for the enactment of the present act in that connection; and

Whereas it is expedient to grant its 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 by-law No. 24 of The Mount Royal Hotel Com-
pany, Limited, as set forth in Schedule "A" of this act, may be submitted for sanction to a judge of the Superior Court of the district of Montreal who may sanction the same as if it had been agreed to by the shareholders at a meeting called by order of a judge of that court in accordance with the provisions of section 41a of the Quebec Companies' Act, as enacted by the act 17 George V, chapter 62, section 3, and, upon such sanction being given, it shall be legal and valid and binding upon that company and all its shareholders to all intents and purposes.

Sanction
and binding
effect of cer-
tain by-law.

2. This act shall come into force on the day of its sanc-
tion.

Coming into
force.

SCHEDULE A

THE MOUNT ROYAL HOTEL COMPANY, LIMITED

BY-LAW NO. 24

Whereas by by-law No. 11 of the company 70,000 shares of the capital stock of the company of a par value of \$100.00 each were created as cumulative preference shares with and subject to the rights, privileges and restrictions therein set out; and

Whereas there are outstanding certain of the 8% convertible debentures of this company and certain of the 8% convertible debentures of Mount Royal Hotel Company, Limited, (a company incorporated by Dominion letters patent, the predecessor of this company) the holders of which convertible debentures are entitled (as their sole recourse against this company) to surrender such debentures and receive in lieu thereof one (1) preference share of this company for each \$100.00 in face value of such debentures; and

Whereas on the 1st day of January, 1927, there will be accrued and unpaid on the said preference shares arrears of dividends amounting to \$28.00 per share; and

Whereas certain holders of common shares of the company have undertaken to deposit with a trustee 6,826 shares of the common stock of this company in order that the same may be available for distribution and be distributed in accordance with paragraph number 4 of this by-law; and

Whereas it is expedient in the interests of the company and the holders of its preference shares to reduce the dividends on the said preference shares from eight (8) to six per-cent. (6%) per annum from the 1st day of January, 1927, and to amend the said by-law No. 11 in the manner hereinafter set out, and to provide for the payment to the holders of preference shares and of convertible debentures \$3.00 in cash and for the delivery to them (as representing and replacing their rights to the balance of such accrued dividends) of scrip dividend certificates of a face value of \$25.00 in respect of each share of preference stock and of each \$100.00 of convertible debentures outstanding, and to provide for the delivery to the holders of preference shares and of convertible debentures of common shares (from the common shares so deposited in trust as aforesaid) on the basis of one (1) common share in respect of each ten (10) shares of preference stock and each \$1,000.00 in face value of convertible debentures;

NOW, THEREFORE, be it enacted as a by-law of The Mount Royal Hotel Company, Limited, as follows:

1. The preference shares created by the said by-law No. 11 shall, from and after the 1st day of January, 1927, be six per-cent. (6%) cumulative preference shares instead of eight per-cent. (8%) and the said by-law No. 11 shall from and after that date be deemed to be amended and modified as follows, namely:

1ST. By striking out and replacing the words and/or figures "eight per-cent (8%)" wherever the same occur in the opening paragraph and in sub-paragraphs (a) and (c) of the said by-law No. 11 by the words and/or figures "six per-cent (6%)";

2ND. By striking out and replacing the words and/or figures "ten per-cent (10%)" (referring to the redemption premium) in sub-paragraph (d) of the said by-law No. 11 and replacing the same by the words and/or figures "five per-cent (5%)";

3RD. By adding to the said by-law No. 11 the following sub-paragraph (e):

"(e) The provisions of this by-law may be repealed or "modified if authorized by by-law of the company confirmed by the vote of the holders of at least two-thirds (2/3) in value of the preference shares then outstanding "at a special general meeting called for the purpose of considering such repeal or modification, and further confirmed "by supplementary letters patent; provided, however, that "no modification of the said provisions which prejudicially "affects the rights of any other class or classes of shareholders shall be effective unless and until approved by a "two-thirds (2/3) vote of the outstanding shares of each "of such classes."

2. (a) The directors of the company shall be and they are hereby authorized to issue scrip dividend certificates of the company to an amount not exceeding \$1,706,425.00. The said scrip dividend certificates shall not carry any interest.

(b) The said scrip dividend certificates shall be payable only out of the surplus earnings of the company after payment of or provision for all accrued dividends, on the preference stock of the company from time to time outstanding.

(c) Forthwith after the close of the company's books for the fiscal year ending on 31st December, 1929, and every fiscal year thereafter, the company will ascertain the surplus earnings after paying or providing for all dividends accrued to the end of such fiscal year on the preference shares of the company, and shall distribute and pay such surplus rateably upon the said scrip dividend certificates

then outstanding up to an amount not exceeding in each year five per-cent. (5%) of the amount of such outstanding certificates (subject to increase in respect of accumulated arrears as hereinafter mentioned). Provided that if the amount of surplus earnings in any year is insufficient to pay the said five per-cent. (5%) of the amount of said outstanding scrip dividend certificates, any such deficit shall be cumulative and shall be paid out of the first surplus earnings of the company accumulated or earned thereafter, and no dividend shall be declared or paid on the common shares of the company in any year while there are any arrears in the said annual distribution upon the said certificates. The amount of the said surplus earnings shall be determined by the company's auditors who shall be chartered accountants of good standing. Provided further that the company shall not be obliged to make any annual distribution as aforesaid unless the surplus earnings available for such purpose amount to at least one and one-half per-cent. (1½%) of the amount of such scrip dividend certificates, and any such distribution shall be made in multiples of one-half of one per-cent. (.5%).

(d) The company shall be entitled from time to time to purchase in the open market or by private sale any of the said scrip dividend certificates at a price not exceeding the then face value thereof, provided that such purchase shall be made only out of surplus earnings then available after paying or providing for all dividends on the preference shares of the company earned to the date of such purchase and all distribution payments in respect of the then outstanding scrip dividend certificates accrued to the date of such purchase, the whole as if the said dividends and distribution payments were accruing from day to day.

(e) The scrip dividend certificates shall be in such form and denominations and shall contain such terms and provisions as the board of directors may determine and shall be executed under the seal of the company and the facsimile signature of the President and the signature of the Secretary or Assistant Secretary. Coupons attached to such certificates shall be executed under the facsimile signature of the secretary of the company.

3. There shall be paid to the holders of preference shares of this company and/or convertible debentures of this company and/or convertible debentures of Mount Royal Hotel Company, Limited, the predecessor of this company, in respect of each preference share of \$100.00 in face value of convertible debentures held by them, \$3.00 in cash (less any amounts previously distributed by way of preferred dividends) and there shall likewise be delivered to them

\$25.00 in face value of such scrip dividend certificates as soon as possible after the coming into force of this by-law, the whole as representing and replacing their rights to all arrears of dividends on the said preference shares up to the 1st day of January, 1927.

4. There shall be delivered to the holders of preference shares of this company and/or convertible debentures of this company and/or convertible debentures of Mount Royal Hotel Company, Limited, the predecessor of this company, in respect of each ten (10) shares or \$1,000.00 in face value of convertible debentures held by them, one (1) share of common stock of this company, the same to be taken from the said shares to be so deposited in trust as aforesaid. In cases where the holders would otherwise be entitled to receive a fractional share an appropriate warrant shall be issued entitling the holder upon surrender of the same accompanied by other warrants, the whole aggregating one (1) share, to receive a certificate for one (1) share of common stock.

5. The directors are authorized and empowered to do and perform all such acts, matters and things and to execute or cause to be executed all such certificates, coupons, acknowledgments, deeds and assurances as may be necessary or advisable in the premises.

CERTIFIED a true copy of by-law No. 24 as enacted by the board of directors, and that the same was sanctioned, approved, ratified and confirmed by the unanimous vote of the shareholders present at a special general meeting of the company duly called and held on the 20th December, 1926, for the purpose of considering the same.

D. H. McDougall,
Secretary-Treasurer.