

C H A P . 1 9

An Act to amend the Revised Statutes, 1909, respecting agricultural societies.

[Assented to 14th March, 1912.]

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

1. Article 1795 of the Revised Statutes, 1909, as amended R.S.Q., 1795, by the acts 1 George V (1st session), chapter 13, section 1 and ^{am.} 1 George V (2nd session), chapter 18, section 1, is further amended:

a. By replacing the word "Bonaventure" in the second line by the words: "Terrebonne, Bellechasse, Portneuf, Joliette, Megantic";

b. By adding after the words "of Gaspé" in the fifth line, the word "Bonaventure."

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

C H A P . 2 0

An Act to amend the Revised Statutes, 1909, respecting co-operative agricultural associations.

[Assented to 14th March, 1912.]

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

1. Article 1974 of the Revised Statutes, 1909, as amended R.S.Q., 1974, by the act 1 George V (1st session), chapter 14, section 1, ^{am.} is further amended by adding at the end of the first paragraph the following: "The association may pay interest to any shareholder upon any instalment paid in advance, until the date when such instalment becomes due."

2. Article 1976 of the said statutes is amended by adding ^{Id., 1976, am.} at the end thereof the words: "Nevertheless they can be transferred only to a transferee who has been accepted by the directors of the association."

Id., 1980a, enacted. **3.** The following article is inserted in the said statutes after article 1980 as amended by the act 1 George V, (1st session), chapter 15, section 1.

By-laws re shareholders, &c. **"1980a.** The association, or its board of directors may make, amend or repeal, among others, by-laws respecting the admission of shareholders, the transfer of shares and the maximum number of shares for which a shareholder may subscribe,"

Id., 1981, am. **4.** Article 1981 of the said statutes is amended:

Disposing, &c., of certain property, &c. **a.** By adding at the end of sub-paragraph *b* of paragraph 1, the words: "dispose of, assign or transfer as security for any sum borrowed or any security supplied, any of the securities or property of the association, either with or without power of sale, or upon any other special conditions considered suitable and useful;"

b. By adding the following sub-paragraph to paragraph 1:

Transfer of calls to third persons. **"c.** Transfer, in whole or in part, to a financial institution or to any other person, upon the conditions thought proper, the instalments due or to become due upon the shares subscribed by the shareholders, as collateral security for the payment of any loan made to the association by note or otherwise. Such transfer may also be made to any person whether he be or be not a director or officer of the association, who becomes or has become or undertakes to become, surety of the association for the performance of obligations undertaken or to be undertaken by the association.

Registration, signification, &c., of transfer. Any transfer made in virtue of this sub-paragraph may be made by notarial instrument or in duplicate before witnesses and shall be registered. It may be signified by means of a notice drawn up according to form E, and addressed to each shareholder by registered letter. The notary or bailiff who so signifies a transfer shall draw up a report thereof a copy or duplicate of which shall be delivered to the association. The registration certificates signed by the postmaster shall be annexed to the original of the report or to one of the duplicates, and neither the notary nor the bailiff need deliver copies of them to the association. Nevertheless the bailiff, who draws up a report shall deliver to the transferee the duplicates to which the certificates of registration are annexed.

Notice of cancellation of transfer. Any person consenting to the cancelling of any such transfer shall cause to be served upon the shareholders a notice of such cancellation. The notice of such cancellation shall be served in one or other of the manners mentioned in the last paragraph.

Receipt for calls collected. Every transferee who collects instalments in virtue of such a transfer, shall give a receipt therefor in duplicate, a copy of which shall be delivered to the treasurer of the association.

Mention of such receipt shall be made by the treasurer in the books of the association;"

c. By replacing paragraph 2 by the following:

" 2. The total amount of the sums borrowed shall never ^{Borrowing} exceed four times the aggregate amount of the ^{limit.} subscribed shares and reserve fund."

5. Article 1985 of the said statutes as amended by the act ^{Id., 1985,am.} 1 George V (1st session), chapter 14, section 4, is further amended by inserting therein after the word "January" in the second line of the second sub-section of paragraph 1, the words: "or any other day in the month of January fixed by the directors."

6. Article 1989 of the said statutes is amended by replacing ^{Id., 1989,am.} the second paragraph by the following:

"The association may have a reserve fund. So long as ^{Reserve} this fund is not equal to the subscribed capital, the total ^{fund.} amount of the dividends distributed shall not exceed six per cent of the paid up capital.

When the association has a reserve fund greater than the ^{Distribution} subscribed capital, it may, after having paid dividends ^{of profits,} not more than six per cent of the paid up capital, and after ^{&c.} having set aside for the reserve fund at least ten per cent of the profits, distribute the remainder of the profits among the shareholders in proportion to their dealings with the association upon the basis established by the association or the board of directors, Such basis may be the amount paid by each shareholder for his purchases from the association, or the amount paid by each shareholder for the preservation, preparation or transformation of the products of his farm or live stock; or an amount equal to the value of such products; or the amount received by each shareholder for the produce of his farm or of his live stock, when such produce is sold by or through the association; or the aggregate of such amounts or any of them, according to the statement and apportionment of the directors, whose decision upon this matter shall be final and conclusive. An association which makes a business of buying and selling dairy produce may pay dividends to a shareholder, who is a manufacturer or proprietor of a factory in proportion to the dairy products of such factory sold by or through the association.

A shareholder who buys from the association produce of ^{Certain} shareholders sold by or through the association or prepared ^{shareholders} or transformed by it, shall not be entitled to dividends upon ^{not to receive} such purchases. ^{divid-}ends."

7. Article 1990 of the said statutes is amended by insert- ^{Id., 1990,am.}

ing after the words "secretary-treasurer" in the third line, the words "or by any other officers."

Coming into
force.

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

FORM E

(ARTICLE 1981)

Notice of transfer

To _____, farmer of the
parish of _____ member of
the _____ Co-operative Agricultural
Association

Sir,

You are hereby notified by Mr. _____ that by an instrument
notary (*or* bailiff) of _____ notary, (*or* in duplicate
executed before Mr. _____ day of the month of
before witnesses) the _____ Co-operative
19 _____ the _____
Agricultural Society has transferred to _____,
of _____, the sum of _____ being the second,
(*or* third as the case may be) instalments upon the
shares in the capital stock of the said association for which
you have subscribed. This transfer is thus made as collateral
security for the payment of a loan (*or for the giving of security*)
which the said _____ has made or given or undertaken
to make or give.

This transfer was registered in the registry office for the
county of _____ on the _____ day of the
month of _____ 19 _____

Dated at _____, the _____ day of _____ 19 _____

Notary (or bailiff).
