

## C H A P . 1 0 7

An Act to incorporate *L'Épargne Foncière*

[Assented to 3rd April, 1912.]

## Preamble.

**W**HEREAS Messrs Jean Baptiste Dupré, contractor; Barthelemy Lefebvre, real estate agent; Joseph Gustave Théoret, real estate agent; Onésime Trempe, manager; Pierre Bilaudeau, actuary; Joseph Azarias Paquin, notary public; André Lafleur, superintendent; Joseph Antoine Hilaire Hébert, notary public; Joseph Albert Guimond, real estate agent; René Chênevert, advocate; Joseph Alphonse Lefebvre, journalist; all of the city and district of Montreal, have by their petition prayed to be incorporated under the name of *L'Épargne Foncière*, for various purposes, among others for the purposes of pension funds; and have represented that an association of the kind would be useful for the inhabitants of this Province generally;

Whereas it is expedient to grant the prayer to that effect contained in the said petition;

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

## Persons incorporated.

**1.** Messrs. Jean-Baptiste Dupré, contractor; Barthelemy Lefebvre, real estate agent; Joseph Gustave Théoret, real estate agent; Onésime Trempe, manager; Pierre Bilaudeau, actuary; Joseph Azarias Paquin, notary public; Joseph Antoine Hilaire Hébert, notary public; André Lafleur, superintendent; Joseph Albert Guimond, real estate agent; René Chênevert, advocate and Joseph Alphonse Lefebvre, journalist, all of the city and district of Montreal, and all other persons, firms and corporations that now are or may from time to time become shareholders in the capital stock of the company, are incorporated under the name of *L'Épargne Foncière*. Under such name they shall have perpetual succession and a common seal which they may change at will; may possess moveable and immoveable property and acquire the same by purchase, gift, legacy or other legal title and may sell, alienate or dispose of the same, with power to sue and be sued and to appear before all courts.

## Name, &amp;c.

## Business of the company.

**2.** The company has the power of transacting insurance business in the form of pension funds with the view of securing a pension to those who contribute to the fund during a certain number of years.

**3.** The association shall consist of shareholders, adherents and participants. Classification of members.

A shareholder is one who holds one or more of the company's shares. Shareholders.

An adherent is one who contributes an amount not more than one dollar per week or five hundred and twenty dollars in all by contract towards the pension fund. Adherents.

A participant is one who receives during his lifetime revenues from the contributions paid to the pension fund to which he contributed. Participants.

In the event of death, the contributions paid to the company shall be repaid to the representatives of the adherent or participant out of a reimbursement fund in accordance with the terms of a contract to that effect and which may be changed. Repayment of contributions on death.

The reimbursement fund shall provide, by means of a premium not exceeding fifteen per cent. of the contributions of the adherents or participants, for the payment of the contributions paid by them, to their heirs or assigns or to one or more of the beneficiaries named when they have not received the revenue equivalent to their contributions or to the balance of the amount contributed when they have received one or more shares in participation. Reimbursement fund.

**4.** The company's capital shall be one hundred thousand dollars divided into one thousand shares of one hundred dollars each. A first instalment of ten per cent shall be paid on demand and the balance shall be paid in instalments of not less than twenty per cent per annum or in full as may be determined by the board of directors after a written notice of at least thirty days. When the authorized capital is subscribed and paid up, the company may increase its capital to not more than five hundred thousand dollars, and the shareholders shall have the first right in preference to all others to subscribe for the shares in the new capital each time an issue is made, in proportion to the amount of the shares held by each. Capital stock.

**5.** The persons mentioned in section 1 of this act shall be the board of provisional directors and shall remain in office until the election of the subsequent directors. The majority of them shall form a quorum. Provisional directors.

**6.** At any meeting of the company every shareholder who has paid all calls due on his shares shall have a vote for every share held by him and may be represented by proxy provided such proxy be himself a shareholder of the company. Voting at shareholders' meetings.

- 7.** As soon as seventy-five thousand dollars of the capital shall have been subscribed and seven thousand five hundred dollars paid up, the provisional directors shall call a general meeting of the shareholders in the city of Montreal, after giving notice to each shareholder by registered letter.
- Election of directors.** At such general meeting, the shareholders present in person or represented by proxy shall elect the number of directors fixed by section 11 of this act. Such directors shall form the board of directors and shall remain in office until replaced or re-elected at the annual general meeting of the year following their election, or if not, at a meeting adjourned or subsequently called and held specially for the purpose.
- Filling of vacancies on board.** The directors may fill vacancies arising on the board by appointing duly qualified shareholders of the company for the remainder of the term.
- General meetings of shareholders.** **8.** A general meeting of the shareholders may be called either by the board of directors or by the president, or by two directors, or by shareholders representing altogether at least twenty-five per cent of the paid up capital.
- Head office.** **9.** The head office of the company shall be in the city of Montreal. The board of directors may also establish one or more branches in other places in the Province.
- Confiscation of unpaid shares.** **10.** If any shareholder refuses or neglects to pay to the company any instalment due on any share held by him at the date specified, the board of directors may confiscate such share or shares as well as the amount already paid thereon; and every share so confiscated may be sold at public auction by the directors after such notice as they may order to be given, and in the event of the proceeds of such sale being more than sufficient to pay all the arrears and interest and costs of the sale, the surplus shall, on demand, be handed over to the owner of the share and the remainder shall belong to the company. If the said arrears of the instalments, interest and costs are paid before a confiscated share is sold, the said share shall return to the party to whom it belonged before confiscation, just as though the said instalments had been paid when respectively due.
- Powers of directors.** **11.** The different pension funds, the reimbursement fund and the affairs of the company generally shall be managed by a board of directors consisting of not less than five nor more than nine members, one of whom shall be elected president and one other vice-president.
- Board of supervision.** **12.** As soon as there are one hundred adherents, they

may appoint a council of supervision consisting of seven members who shall at all times examine the accounts of the different fund's and report to the interested parties.

The board of directors shall report every three months to the supervisory council on the receipts and expenses of the defferent pension funds for the three preceding months and within the first month of each year a general report of the operation of the different pension funds for the year ending on the 31st December previous. <sup>Report of directors.</sup>

**13.** The directors must own at least twenty-five shares each. <sup>Shares of directors.</sup>

**14.** The board of directors shall by by-law, determine the number of directors, the quorum of the board of directors, the date of the annual meeting, and the manner of calling the general meetings of shareholders; but such by-laws shall be submitted for ratification to the first ensuing meeting of the shareholders and they may be amended in like manner. <sup>By-laws of directors.</sup>

**15.** The board of directors may further pass all necessary by-laws for the management of the company's business, provided such by-laws be approved by the shareholders. If such by-laws are made in the interval between two annual general meetings, they shall have force and effect only until the following annual general meeting when they must be ratified in order to continue to have force and effect. <sup>Id.</sup>

**16.** The principal of the different pension funds shall consist of all the periodical contributions paid by the adherents to each of such funds, less the portion agreed upon between the adherents and the company for cost of recruitment and of management in a proportion which shall not exceed twenty per cent of the total amount to be contributed. <sup>Principal of investment fund, &c.</sup>

**17.** The different pension funds shall be the absolute property of the adherents to each of such funds or participants; and the reimbursement fund is the absolute property of the participants therein. The said funds shall be non-transferable and not liable to seizure. The repayments paid at death shall not be liable to seizure. Every adherent may subscribe for as many shares as he wishes in each different fund. <sup>To whom investment fund to belong, &c.</sup>

**18.** Any person may, with the approval of the board of directors, form part of *L'Epargne Foncière* as adherent or participant. The company shall deliver a contract to him to that effect and such contract shall be dated the 1st of <sup>Who may be adherents, &c.</sup>

January, April, July or October of the current year from which date the contribution shall commence to run.

**Forfeiture of rights, &c.**

**19.** Every adherent who ceases to pay his contributions shall forfeit his rights, but he may be reinstated within twelve months from the date of the last contribution, without losing the benefit of the contributions to his credit, after paying the fine imposed by the board of directors; the fine shall not exceed ten per cent of the arrears.

**Notice by certain adherents.**

Every adherent who loses the protection of the donor of his contribution shall give notice thereof to the management in writing and, during each year from the last contribution, he shall be called upon by registered letter to renew his contract by paying one contribution until he can fulfil his obligations himself.

An adherent who is prevented by illness from making his payments may, on sufficient proof to the satisfaction of the board of directors, obtain suspension of his payment until he is able to meet his obligations. The period during which he does not fulfil his obligations shall not count for his pension except in the case of his paying all his arrears with interest. If the board of directors grants suspension of payment to an adherent no fine can be imposed on him for delay in the payment of his contribution, during the period of such suspension, and likewise a minor who has not the protection of his donor may obtain suspension of the payment until he attains his majority or is in a position to meet them himself.

**One fund for each section, &c.**

**20.** There shall be one fund for each section, an adherent participating only in the fund to which he has contributed; and every adherent after five or more years of consecutive and effective payments according to the contract he has made with the company, shall become a participant in the revenue of the accumulated amount in each of such funds proportionately to the contributions paid and for whole quarters or six months of a year, except in the case of death during the current quarter or six months when the share of revenue shall be paid to the heirs or representatives or to one or more of the beneficiaries named; provided, however, that no participant shall receive as revenue more than thirty per cent the first, thirty-five the second, sixty per cent the third and eighty per cent the fourth year, and never more than the amount of his contribution in any future year; and the surplus shall then form a reserve fund.

**Investment of capital, &c.**

**21.** The sums declared by this act to form part of the different pension funds shall be invested in immoveable properties of all kinds, in first hypothecs on immoveables in the

Province of Quebec to the amount of three fifths of the municipal valuation, in loans to *fabriques* of parishes in this Province, in public securities, or funds, in securities of the Government of Canada, of any of its provinces, or in public funds or securities of the government of the United Kingdom or of the United States of America, or in redeemable debentures of any municipal or school corporation of the Province of Quebec, and in accordance with the provisions of paragraph 2 of article 6970 of the Revised Statutes, 1909.

The investments shall be made in the name of the company in its quality of administrator of the different pension funds which are specially mentioned in the deed. In whose name investments made.

**22.** Articles 6924, 6925, 6927, 6928, 6930, 6931, 6934, 6935, 6937 to 6940 inclusive, 6946 to 6948 inclusive, 6950, 6952, 6954 to 6962 inclusive, 6964 to 6970 inclusive, 6973, 6975 to 7978 inclusive, 7031*a* to 7031*e* inclusive, 7038 to 7042 inclusive, 7063, and 7064 of the Revised Statutes, 1909, shall apply to this company in so far as the provisions thereof are not inconsistent with those enacted by this act. R.S.Q., certain articles to apply.

**23.** If the company goes into liquidation, the amount of the different pension funds and of the reimbursement fund, shall be divided as shall be provided by an act of the Legislature. Division of certain funds on winding up.

**24.** A deposit of five thousand dollars shall be made with the Treasury Department of the Province of Quebec. Deposit with Treasury Department.

Nevertheless if, at any time, the Superintendent of Insurance, after examination, has ascertained that the business of the company has reached proportions requiring a corresponding increase in the amount of the deposit, he shall so report to the Provincial Treasurer. The Lieutenant-Governor in Council, after considering the report of the Superintendent, and after such further inquiry as he thinks proper to make, may fix the amounts of the respective increases of such deposit at such amount as he may think just, and order the company to make such increased deposit, and notice to that effect shall be published in the *Quebec Official Gazette*. Increase of deposit in certain cases.

The company shall have the right to begin operations upon having deposited in the Treasury Department of the Province of Quebec, the said sum of five thousand dollars. Beginning of business.

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