

CHAP. 63

An Act to amend the charter of the Canadian Electric Light Company and to authorize the recall of the second issue of bonds

[Assented to 20th May, 1905]

WHEREAS the Canadian Electric Light Company has, by Preamble. petition, represented :

That it has issued bonds bearing a second mortgage to an amount of two hundred thousand dollars, and it has been considered that it is in the interest of the said company to recall the said bonds, and replace them by preferred stock bearing seven per cent. accumulative interest ;

That the decision of the board of directors to that effect was unanimously ratified and approved by the shareholders assembled in general meeting for that purpose ;

That the holders of the said bonds were also convened in general meeting and concurred in such decision ;

That, in order to meet its engagements, to procure fresh capital and improve its financial position generally, the said company also decided to ask its shareholders to subscribe and take one preferred share for every four shares of common stock already held by each shareholder, or, (at the option of each one), to renounce one half the shares of common stock held by him, and that more than three-fourths in value of the said shareholders have agreed to such transaction and decision, which are in the interest of the company ;

That the company has, by its petition, prayed that all such transactions and decisions be ratified, and 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 second issue of bonds, to the amount of two hundred thousand dollars, bearing second mortgage, are hereby cancelled, as well as the trust deed concerning the same ; they shall be returned to the said company which shall destroy the same. Certain issue of bonds and trust deed cancelled, &c.

The issue of shares of preferred stock by the company, to the amount of two hundred thousand dollars, is ratified and validated, and the said shares are declared to be regularly issued under the terms of the company's charter. Certain issue of preferred stock ratified.

2. The shares of common stock, abandoned by a certain Abandonment of cer-

tain stock de-
clared lawful.

number of shareholders, are declared to have been legally abandoned.

Return of
certificates
thereof &c.,
and issue of
new shares.

The stock certificates issued in connection therewith shall be returned to the company, which shall replace them by fresh certificates for one-half the number of shares originally held.

What may be
done with
abandoned
shares.

3. The shares so abandoned shall remain on hand to be again utilized at any time, at the discretion of the board of directors, in the interest of the company.

Certain sub-
scriptions to
stock de-
clared legal,
&c.

4. The shareholders who have subscribed for new preferred stock are declared to have done so legally, and their arrangements with the company in that respect are validated and confirmed.

Option grant-
ed to certain
shareholders,
within cer-
tain delay.

5. The holders of common stock, who have neither abandoned one-half their shares nor subscribed for preferred stock, are authorized to do so, (each one choosing whichever of the two transactions he may prefer), within a delay of one month after the sanction of this act.

If such delay
is passed
without op-
tion being
declared.

6. At the expiration of the delay of one month mentioned in the foregoing section and after a copy of this act shall have been sent to each one of the interested parties within a delay of fifteen days after the sanction thereof, it shall no longer be lawful to make such option unless the board of directors, for reasons considered valid, deem expedient to extend such delay in certain special cases.

Issue of de-
bentures for
certain fran-
chises, &c.

7. After having bought or leased the franchises and rights or property of another company, in whole or in part, the Canadian Electric Light Company may issue debentures having a first or second mortgage on the assets and property of the new company only, and not affecting hypothecarily its own assets; it may also issue common or preferential stock upon which it may pay dividends with the revenues of the said new company only; the whole, so as to keep, if it so desires, its affairs and property distinct from that of the new company.

Coming into
force.

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