

Fictitious capitalization of stock, &c., forbidden.

Such stock to be null.

Liability of directors for breach of provisions of this act.

Act not retroactive.

7. Every form and manner of fictitious capitalization of stock in any joint stock company, or the issuing of stock which is not represented by a legitimate and necessary expenditure in the interest of such company, and not represented by an amount in cash paid into the treasury of the company, which has been expended for the promotion of the objects of the company, is prohibited, and all such stock shall be null and void.

8. Should any dividend be declared or paid in contravention of any of the provisions of this act, the directors voting for, or consenting to the payment of such dividend, shall be jointly and severally liable to the creditors of such company for the amounts so paid.

9. This act shall not have a retroactive effect.

CAP. LXXIV.

An Act to further amend the act of the late province of Canada, 24 Victoria, chapter 32, respecting Mutual Insurance Companies.

[Assented to 10th June, 1884.]

HER MAJESTY, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

24 V., c. 32, s. 1 and 45 V., c. 50, section 1, amended.

Company may fix rate for villages at 100 per cent increase. Proviso as to payment of losses in villages in certain event.

1. Section 1 of the act 24 Victoria, chapter 32, as replaced by the act 45 Victoria, chapter 50, section 1, is further amended by adding after the first paragraph the following paragraphs:

"1a. The company may fix rates for policies of insurance in villages, at one hundred per cent more than in parishes."

"1b. When the rate in the parish and in the village is the same, and several properties are destroyed at the same time in such village, the company shall not be obliged, if the total value of the properties so destroyed exceed the maximum fixed by the company, to pay, in all, more than such maximum, which maximum shall be divided between the parties insured whose property has been so destroyed, in proportion to the amount of their insurance."