

CAP. LVIII.

An Act to confirm the Act of the Federal Parliament, 40 Victoria, chapter 81, intituled: "An Act to incorporate '*La société de construction St. Jacques*,' as a permanent building society, and for other purposes," and to declare valid the provisions of the said Act, by making certain changes therein and giving effect thereto.

[Assented to 24th July, 1880.]

WHEREAS "*La société de construction St. Jacques*" was, Preamble.
in 1874, incorporated and regularly organized under the provisions of the Act, chapter 69 of the Consolidated Statutes for Lower Canada, and incorporated anew by the Act of the Federal Parliament, 40 Victoria, chapter 81, intituled: "An Act to incorporate '*La société de construction St. Jacques*' as a permanent building society, and for other purposes;

Which said federal statute was sanctioned by the Governor General of the Dominion of Canada in Her Majesty's name, on the 28th April, 1877, and is worded as follows:

"An Act to incorporate '*La société de construction St. Jacques*,' as a permanent building society, and for other purposes."

Whereas "*La société de construction St. Jacques*," incor- Preamble of
porated under the provisions of the Act, chapter 69 of the this act.
Consolidated Statutes for Lower Canada, has existed in the city of Montreal, since the month of January, one thousand eight hundred and seventy-four; whereas the present subscribed capital of the said society is three million five hundred and seventy-four thousand dollars, and the amount paid thereon is about two hundred and four thousand dollars; and whereas its existence on a solid and durable basis is of great interest to all its shareholders; and whereas the said society has, by the petition of its president and directors, prayed for certain powers and changes, which would greatly contribute to its prosperity and to the security of persons holding shares therein, and of the public with whom its business is transacted; and whereas it is expedient to grant the prayer of the said petition; Therefore, Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. The said "*La société de construction St. Jacques*" and all Society in-
its present members, their successors and assigns for ever, corporated,
are hereby constituted a corporation and permanent build-

society under the name of "*La société de construction St. Jacques*," having its principal place of business or office in the city of Montreal, and may, by that name, sue and be sued, and shall enjoy all the rights, powers and privileges granted to permanent building societies by the act, chapter sixty-nine of the Consolidated Statutes for Lower Canada, and by all other acts affecting such societies, and shall be held to all the duties and obligations imposed on such societies by the said acts.

Rights and
powers vested
in society
continued.

2. All moveable and immoveable property, shares or stock, obligations, debts, rights, claims and privileges generally whatsoever of the said "*La société de construction St. Jacques*," shall continue vested in the said society, incorporated as a permanent building society as aforesaid, under its said name, and shall continue to be held and maintained by or against the said society and belong to it to all intents and purposes, as if this act had not been passed; and all proceedings commenced by the society, may be continued without any change whatsoever.

Officers con-
tinued in
office.

3. The president, directors and officers of the said: "*La société de construction St Jacques*," now in office, shall so continue in the said society, until replaced in conformity with the by-laws of the society.

By-laws con-
tinued.

The present by-laws of the said society, which are in conformity with the law, shall continue in force until modified, amended or repealed by the said society.

Further pre-
amble.

4. And whereas, under the system hitherto followed in the said society, the capital thereof consisted of the whole amount of the shares subscribed for by its shareholders, and such capital was to be advanced by appropriation, from time to time, during the existence of the society, to shareholders holding the winning number, at a drawing of lots to be carried out under the supervision of the board of directors of the society, or whose number obtained at a bidding the privilege of appropriation; and whereas under the aforesaid system of appropriation a certain number of shareholders have already received in advance the amount of their shares, and consequently the said shareholders are bound to repay in full the amounts so by them received less what they may have previously paid up on their said shares and consequently the said shares cannot now be reduced, unless with the consent of such shareholders and by providing a new and special means for the discharge of the obligations of such borrowing members towards the society, it is further enacted: that the capital stock of the said society, subscribed for by shareholders who have received no appropriations, shall be reduced to ten per centum of the amount by them so subscribed; and the capital subscribed by borrowing shareholders shall remain at the full amount of the original

subscription. Non-borrowing shareholders, that is to say, those who have not received appropriations, shall be bound to complete the said amount of ten per centum on the total of the shares by them originally subscribed for, by paying to the society such an amount as may be requisite to form such ten per centum, with what they have already paid, in instalments not exceeding ten per centum of the balance by them so owing, and payable at such periods as may, from time to time, be fixed by the directors; Provided that such instalments shall not be payable at shorter intervals than one month. Borrowing shareholders shall continue to make their payments, in the same manner and on the same terms and at the same periods as set forth in their obligations entered into with the society, until such time as each and all of their said obligations shall have been completely and entirely satisfied and fulfilled. Nevertheless, the directors of the society may make such arrangements with such borrowing shareholders, as they shall think proper, to convert into an obligation to pay a fixed sum agreed upon and determined between them and such borrowing shareholders, all and every the debts and obligations of such borrowing shareholders as aforesaid, the whole in conformity with the provisions of the first section of this act; and thenceforth such borrowing shareholders shall cease to be shareholders and shall become simple borrowers, and their shares shall be absolutely cancelled and annulled to all intents and purposes whatsoever.

5. The capital stock of the society, reduced as herein-Capital stock. before enacted, shall be and form the permanent capital stock of the said society and shall be divided into shares of one hundred dollars each, and each share shall entitle the holder thereof to one vote; but no shareholder shall be entitled to vote at any meeting, unless he shall have paid all the calls upon all the shares held by him.

6. The said society may, by a resolution of the directors, confirmed at a general meeting of the shareholders, in-Power to in-crease capital.crease its permanent capital, and may, as often as it thinks proper, open classes of temporary shares; and nothing in this act shall be held to operate to deprive the society, in that respect, of any rights and privileges conferred by general acts affecting such societies.

7. Any member of the society may, at his option at any time, and in manner to be regulated by the directors, con-Power, to change tempo-rary into per-manent shares.vert his temporary shares into fixed and permanent shares in the stock of the society, either before or after the same shall have been fully paid up.

8. All shares, whether permanent or temporary, in the said society, and all profits thereon shall be, specisly and Shares affected in favor of

society. by prior privilege to any other creditors, charged with and liable for any claims the society may have against the proprietors of such shares; and the same may be retained and confiscated by the society to an amount equal to the sum in arrear, if the shareholder indebted to the society fails to discharge his debt or obligation, within twelve months after the same shall have matured.

Shares may be seized and sold. The shares of the said society may also be seized and sold in the same manner as shares in bank stock, and with the same formalities as in like cases.

System of appropriations discontinued. 9. The system of appropriations, hitherto followed in the said society, shall be totally discontinued, and the said society may invest its monies in any real security, or in the public securities of Canada, or of any of the provinces thereof, or on the security of debentures of any municipal or other corporations. The society may also accept in addition to such hypothecary securities, any personal or other security offered as collateral security for loans made by the society.

Power to make and alter by-laws. 10. The society shall have power to make, alter, repeal and reenact, from time to time, by-laws for the regulation of its business, by a majority of two-thirds of the votes of its members present in person or represented by proxy at a general meeting of the members of the society held for that purpose, at the call of the president or of three directors, by public notice inserted in two newspaper, published in the city of Montreal,—one in the French language and the other in the English language, three times a week for two consecutive weeks, before the day of the said meeting. And at such meeting, as at all other meetings of the members of the society, the members shall vote in the manner provided by this act and by the by-laws of the society.

Reserve out of profits to form permanent revenue fund. 11. The directors of the society may, each year, at the period of the division of profits, reserve out of the profits of the permanent capital, a certain sum not to exceed two per centum of the amount of such capital when the net profits do not exceed ten per centum, and at their discretion, if the profits exceed ten per centum; which sum shall form the permanent reserve fund of the society, and shall be set apart to meet all losses or extraordinary or unforeseen expenditure incurred by the society, the responsibility of which devolves on the permanent shareholders."

Preamble.

Whereas the said: "*La société de construction St. Jacques*" has continued its operations in virtue of the said above act, and has availed itself of all the powers granted it by the said act;

Whereas, finally, doubts have arisen as to the constitutionality of the said act of the federal parliament, above mentioned, inasmuch as the said federal parliament

may have exceeded its powers by passing the said act, the subject matter and provisions of which belong to the exclusive jurisdiction of the legislature of this province, in virtue of the "British North America Act, 1867," the said society has, by the petition of its directors, prayed for the confirmation and ratification of the said federal act, making therein, for the future only, the changes hereinafter mentioned; and whereas that, as well in the interest of the public as of that of the said society, of the members who compose it as of third parties interested, it is expedient to accede to the said demand and grant the prayer of the said petition; Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

1. The said federal act, in its entirety, and all the clauses, provisions and dispositions therein contained are confirmed and declared valid, as well for the past, and dating from its sanction, as for the future, (with the exception of the changes mentioned in section four of this act,) as if there existed no doubt as to its constitutionality. Federal act, 40 V., c. 81, confirmed

2. All the powers, privileges and prerogatives granted, and all the duties, obligations and restrictions imposed by the said act, as well upon the said "*La société de construction St. Jacques*," as upon its members, and upon interested third parties are declared valid and vested with legal sanction both for the past and for the (excepting always, for the future, the changes mentioned in section four of this act,) and the same shall apply to all the proceedings, subscriptions, rules, operations, acts and confiscations made by the said society, and it may continue its operations and, to all legal intents and purposes whatsoever, act as it may deem fit, as if there had never existed any doubt as to the constitutionality of the said federal act, and as if, instead of having been enacted by the said federal parliament at the time and in the manner set forth, it had been so enacted by this legislature. Powers, &c., of society confirmed.

3. And, if need be, Her Majesty, by and with the advice and consent of this Legislature, enacts anew all and every the clauses, provisions and dispositions of the said act, hereinbefore cited (with the exception, for the future only, of the changes mentioned in section four of this act,) with the preamble and the title thereof as if, *mutatis mutandis*, all and every, the clauses, provisions and dispositions thereof were herein specially repeated. Provisions of 40 V., c. 81, re-enacted and confirmed.

4. Section 8, of the above recited act, is hereby repealed, but only for the future, and the following is substituted therefor: S. 8 of 40 V., c. 81, replaced.

How shares
are affected.

" 8. All shares, of the said society, whether permanent or temporary, as well as all profits or dividends derived therefrom, are specially affected, and by privilege, in preference to all other creditors, to the claims due or about to become due, which the society may hold against the proprietors of such shares; and the said society may hold the said shares with the profits or dividends, until its debtor has discharged all his obligations towards it. And in case the debtor of the said society should neglect to meet any of his obligations on their becoming due, his shares may be sold to the highest and last bidder, at the office of the society, provided that notice in writing be given to the owner of such shares by registered letter, at least sixty days before the sale, at his last known address, and a copy of the same notice be posted up in the office of the said society, during the same period of time; and the president, vice-president or the secretary of the said society, may make a transfer of such shares to the purchaser thereof in the books of the said society, for all lawful purposes whatsoever; the said society may itself become purchaser of such shares, with the right of issuing new ones or of selling the shares so purchased by it.

Default of
shareholders
to pay calls.

8a. In default of payment, by any of the shareholders of such society, of any of the instalments called upon its shares, the directors of the said society may, by resolution, confiscate such shares and the amount paid on them, by giving previous notice in writing to the owner of such shares, by registered letter sent to his last known address, at least sixty days before such confiscation; and the shares, so confiscated may be issued anew or sold at the option of the said society.

Power to lend
money.

8b. The said society shall have the right to lend money on the security of its own shares, to repurchase such shares, issue them anew, and sell or cancel them, at its option."

Powers con-
ferred upon
society.

5. The said "*société de construction St. Jacques*," shall possess and enjoy, in addition to the rights and powers conferred on it by this act, all the powers, rights and privileges granted to building societies, by and in virtue of the act of this province, 42-43 Victoria, chap. 32, which are not in contradiction with the present act.

Not to affect
pending cases,
&c., act in
force.

6. This act shall not affect pending cases, and shall come into force on the day of its sanction.