

20. If the liquidator or liquidators neglect to deposit the moneys with the Treasurer of the Province, or to deposit the books, accounts and documents as provided in sections 18 and 19, he or they severally, shall be liable to a penalty not exceeding ten dollars for every day during which he or they are in default. Neglect to deposit.

21. Liquidators shall be bound to render their accounts and to pay over the moneys for which they are accountable, under the same obligations and penalties as a curator to the property of a dissolved corporation under the civil code and the code of civil procedure. Rendering of accounts.

22. Articles 368, 372 and 373 of the Civil Code, are modified in the particulars contained in this act. Arts 368, 372 and 373, c.c. modified.

23. This act shall have force and effect from the day of its sanction. Act in force.

C A P . X X X I I .

An act establishing further provisions relative to Building Societies in the Province of Quebec, and providing for the liquidation of their affairs.

[Assented to 31st October, 1879.]

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

1. It shall be the duty of the Directors of every Building Society in the Province of Quebec, to declare and pay half-yearly dividends to the permanent shareholders, of such part of the profits of the Society as they shall deem expedient ; but no dividend or bonus shall be declared or paid out of the capital stock of the Society, nor shall any dividend exceeding eight per cent. per annum be paid until the Society has a reserve fund equal to at least twenty per cent. on the paid up permanent capital stock,—all bad and doubtful debts having, previous to the calculation of such reserve fund, been first deducted. Dividends, Not to impair capital. Rate, limited.

2. The capital stock of the Society may be increased from time to time, by resolution of the directors, who may impose such restrictions and conditions respecting the subscription of such new permanent or temporary shares as they may deem expedient,—such resolution, however, to be approved by the shareholders at a general meeting, called for the purpose, and to remain inoperative until so approved. Increase of capital stock.

Powers of
Directors.

3. The Directors of the Society shall exercise all the powers, privileges and authority which are vested in them by this Act and any other Act regulating such Society, subject to the rules and by-laws of such Society; they shall be subject to and be governed by such rules, regulations and provisions as are herein contained with respect thereto and by the by-laws of such Society; and the Directors may lawfully exercise all the powers of such Society, except as to such matters as are directed by law to be transacted at a general meeting of such Society.

Affixing seals,
&c.

The Directors may affix, or may caused to be affixed, the seal of such Society to any document or paper which in their judgment may require the same; they may make

Calls.

and enforce the calls upon the shares of the respective shareholders; they may declare the forfeiture of all

Payments and
advances
Contracts.

shares on which such calls are not paid; they may make any payments and advances of money they may deem expedient which are or shall at any time be authorized to be made by or on behalf of such Society; and enter into all contracts for the execution of the purposes of such

Administer-
ing property.

Society, and for the transaction of its affairs; they may generally deal with, treat, sell and dispose of the lands, property and effects of such Society, in such manner as they shall deem most advantageous for it; repurchase its own shares, and even effect the payment thereof in whole or in part, by means of immoveables to it belonging, and re-issue, sell, or cancel the shares so repurchased, as it may deem fit; and they may do and authorize, assent to or adopt, all acts required for the due exercise of any further powers which may hereafter be at any time granted to such Society by the Legislature of Quebec;

Further
powers.

By-laws.

2. The Directors of any such Society may, from time to time, alter, amend, repeal or create any regulation, rule and by-law for the working of any such Society, and for the investment and application of its funds; but such action of the Directors shall not have a binding force until confirmed at a general meeting of the shareholders of such Society upon a vote of two-thirds of the capital stock represented at such meeting,—notice being given of the proposed by-laws or of changes in the notice calling such a meeting.

Proviso.

Conversion of
shares may
be suspended.

3. The Directors may also, by by-law, when they deem it expedient to do so, either suspend for a limited time or until further notice, the right of converting accumulated temporary shares into permanent shares, or may permit such conversion, or make it compulsory upon all the shareholders, on such conditions as they may determine; Provided always, that such by-law shall not have force and effect until it has been confirmed in the manner hereinbefore provided.

Proviso.

4. Any such Society may lend money at a rate of interest to be lawfully agreed upon, to any person or persons or body corporate, without requiring any of such borrowers to become subscribers to the stock or members of the said Society; Provided, however, that all borrowers from any such Society shall be subject to all the rules of such Society in force at the time of their becoming borrowers, but not to any other rules; and provided also that such loan be effected either on the security of shares of the Society or on hypothecary, or on public securities;

Society may lend money;

Proviso.

2. The Society may purchase hypothecs, debentures of municipal corporations and school corporations, Dominion or Provincial stock or securities, and they may resell any such securities as to them shall seem advisable, and for that purpose they may execute such assignments or other instruments as may be necessary for carrying the same into effect;

May purchase hypothecs and make investments.

3. The principal money so advanced may be repaid by means of a sinking fund of not less than two per centum per annum, within such time as the Society shall direct and appoint, and as shall be specified in the deed of hypothec or of transfer;

Sinking fund.

4. The Society may also make loans to its members and others on the security of immoveable property sold to the Society, with right of redemption on such conditions as may be agreed upon.

Sales with right of redemption.

5. The Society may hold such immoveable property as may be necessary for the transaction of their business, not exceeding in yearly value the sum of ten thousand dollars in all, or, as being hypothecated to them, may be acquired by them for the protection of their investments, and may, from time to time, sell, hypothecate and lease or otherwise dispose of the same; Provided always, that it shall be incumbent upon the Society to sell any immoveable property acquired in satisfaction of any debt within seven years after it shall have fallen to them.

Society may hold real property for its own use; and may acquire such when hypothecated to it.

Proviso, for sale in such cases.

6. It shall be lawful for any such Society to effect loans of money, and also for the Board of Directors of any such Society, to issue debentures of such Society for such sums not being less than one hundred dollars, and in such currency as they may deem advisable, and payable in the Dominion of Canada, or elsewhere, not less than one year from the issue thereof, or to assign, transfer, or deposit by way of pledge for the sums so borrowed, any of the securities or property of the Society, and either with or without power of sale or other special provisions as the Directors shall deem expedient; or to hypothecate for such loans, the real estate belonging to the Society; and

Society may receive deposits and issue debentures;

- And pay interest on deposits.
Form of debentures.
- Provisions as to borrowing money by the society.
- 20 per cent paid up.
- Amount of debentures, limited.
- Borrowing to be on permanent stock only.
- Liability of shareholders, limited.
- Provisions for amalgamation of two Societies.
- Joint agreement between directors of societies proposing to amalgamate or consolidate their stock, &c.
- the Society may so borrow money, for such periods and at such rates of interest as may be lawfully agreed upon ;
2. The debentures of such Society may be in the form of Schedule A to this Act, or to the like effect.
- Provided always,—
1. That the Society shall not borrow money unless at least one hundred thousand dollars of its subscribed capital stock has been paid up ;
2. That the Society shall not borrow money unless at least twenty per centum of its subscribed capital stock has been paid up ;
3. That the aggregate amount of the sums so borrowed by the Society, shall not at any time, exceed four times the amount of its paid up and unimpaired capital, or the nominal amount of its subscribed capital, at the option of the Society ;
4. That no Building Society shall have power to issue debentures, unless upon the responsibility of its permanent capital stock, and that no accumulating shares, or shares liable to be withdrawn therefrom, shall authorize any such Society to issue debentures to any amount whatever.
7. No shareholder of any such Society shall be liable for or charged with the payment of any debt or demand due by such Society, or held to the payment thereof, beyond the sum not paid up on his shares in the capital of such Society.
8. It shall be lawful for the Society to unite, amalgamate and consolidate its stock, property and business with those of any other society incorporated or chartered to transact a like business, or any building, savings or loan company or society heretofore or hereafter incorporated or chartered, or to purchase and acquire the assets of any such company or society, and to enter into all contracts and agreements therewith necessary to such union, amalgamation, consolidation, purchase or acquisition.
9. The Directors of the Society, and of any other such company or society, may enter into a joint agreement under the seals of each of the said corporations for the union, amalgamation or consolidation of the said corporations, or for the purchase and acquisition, by the Society, of the assets of any other such company or society, prescribing the terms and conditions thereof, the mode of carrying the same into effect, the name of the new corporation, the number and names of the directors and other officers thereof, and who shall be the first

directors and officers thereof, the manner of converting the capital stock of each of the said corporations into that of the new corporation, with such other details as they shall deem necessary to perfect such new organization, and the union, amalgamation and consolidation of their operations, and the after management and working thereof,—or the terms and mode of payment for the assets of any other such company or society purchased or acquired by the Society.

10. Such agreement shall be submitted to the shareholders of each of the said corporations, at a meeting thereof to be held separately, for the purpose of taking the same into consideration. Notice of the time and place of such meetings, and the objects thereof, shall be given by written or printed notices addressed to each shareholder of the said corporations respectively, at his last known post-office address or place of residence, and also by a notice to be published in a newspaper published at the chief place of business of such corporations, once a week, for six successive weeks. At such meetings of shareholders, such agreement shall be considered, and a vote by ballot taken for the adoption or rejection of the same, each share entitling the holder thereof to one vote, and the said ballots being cast in person or by proxy; and if two-thirds of the votes of all the shareholders of such corporations shall be for the adoption of such agreement, then that fact shall be certified upon the said agreement, by the secretary of each of such corporations, under the corporate seals thereof; and if the said agreement shall be so adopted at the respective meetings of the shareholders of each of the said corporations, the agreement so adopted and the said certificates thereon shall be filed in the office of the Secretary of the Province of Quebec, and the said agreement shall thenceforth be taken and deemed to be the agreement and act of union, amalgamation and consolidation of the said corporations, or the agreement and deed of purchase and acquisition by the Society, of the assets of such company so selling, as the case may be; and any copy of such agreement so filed, and of the certificates thereon properly certified, shall be evidence of the existence of such new corporation; Provided, nevertheless, that due proof of the foregoing facts shall be laid before the Lieutenant Governor in Council, and, if deemed expedient by the Lieutenant Governor in Council, letters-patent shall be issued, and notice thereof duly published by the Provincial Secretary in the *Quebec Official Gazette*, after which the new corporation may transact business.

To be submitted to stockholders of each society for consideration.

Votes on it by ballot.

Agreement, if adopted, to be filed with Provincial Secretary.

Proviso, as to proof.

Upon completion of consolidation the new corporation to possess rights, powers, &c, of each of united societies.

11. Upon the making and perfecting of the said agreement and act of consolidation, as provided in the next preceding section, the several societies, parties thereto, shall be deemed and taken to be consolidated and to form one corporation by the name in the said agreement provided, with a common seal, and shall possess all the rights, privileges and franchises of each of the corporations thus amalgamated.

All property and rights vested in new corporation without further act or deed.

12. Upon the consummation of such act of consolidation as aforesaid, all and singular, the business, property, moveable and immoveable, and all rights and incidents appurtenant thereto, all liabilities and duties, hypothecs or other securities, subscriptions and other debts, due on whatever account, belonging to such corporations or either of them, shall be taken or deemed to be transferred to and vested in such new corporation without further act or deed; Provided however, that all rights of creditors and liens upon the property of either of such corporations, shall be unimpaired by such consolidation, and all debts, liabilities and duties of either of the said corporations shall thenceforth attach to the new corporation and be enforced against it to the same extent as if the said debts, liabilities and duties had been incurred or been contracted by it; and provided also, that no action or proceeding instituted by or against the said corporations so consolidated, or either of them, shall abate or be affected by such consolidation, but for all the purposes of such action or proceeding such corporation may be deemed still to exist; or the new corporation may be substituted in such action or proceeding in the place thereof.

Proviso.

Proviso.

Auditors and directors, their appointment, remuneration, &c.

13. The choice and removal of the Auditors of the Society, and the determination as to the remuneration of the Directors and of the Auditors, shall be exercised at the general meetings of the Society, and the Auditors shall not necessarily be shareholders; Provided that in case of the death or failure to act of any such Auditor, the Directors may appoint an Auditor in his place; and at all meetings of shareholders of the Society, the shareholders shall have one vote for each share held by them respectively.

How this Act shall be interpreted.

14. This Act shall apply as well to societies now existing as to societies hereafter incorporated.

Liquidation may be resolved upon at any

15. Any Building Society may, at any special general meeting, or at any annual general meeting, by a two-thirds vote of the members present in person or by proxy

at such meeting, each member being entitled to one vote for every share then held by him, adopt a resolution for the liquidation of the Society's affairs; provided that public notice of such meeting, and of the proposal to liquidate to be made thereat, shall have been given at least fifteen days previously in a French newspaper and in an English newspaper in the locality; and provided also that a special notice, containing the same information as the public notice, shall have been sent by post to each member of the Society at least fifteen days before such meeting; and from and after the adoption of such resolution, the Society shall be deemed to be in liquidation.

general meeting after notice.

Its effect.

16. The shareholders shall, at the same meeting, by a majority of the votes given, appoint three or five Liquidators, who shall take the place of the Directors then in office, and shall be charged with the duty of liquidating the affairs of the Society; and any Director then in office may be appointed a Liquidator.

Liquidators may then be appointed.

17. The Liquidators shall elect one of their number to be their President; and the majority of the Liquidators shall form a quorum of the Board of Liquidators; and every question shall be decided by the majority of the votes of the Liquidators present at the meeting of the Board; and the President shall have a casting vote.

President.—
Quorum.

Decision of questions.

18. The Liquidators shall have all the powers conferred, and be subject to all the obligations towards the shareholders, imposed by law and by the by-laws of the Society upon the Directors. Nevertheless the Society shall not transact any business except such as may be requisite for the purpose of accomplishing the liquidation; and the Liquidators shall proceed with diligence to realize all the assets of the Society, without any unnecessary sacrifice; and to that end they may dispose, either by private sale or by auction, of the moveable and immoveable property of the Society, including the debts due to it, and they may compound and compromise with the Society's debtors, and do whatever they may deem to be advisable in order to effect the liquidation of the affairs of the Society on the most advantageous terms.

Powers and duties of liquidators.

Proviso.

Realizing assets, disposing of claims &c.

19. After paying the Society's debts, the Liquidators shall divide from time to time, and at such times as they shall decide themselves, by way of dividend, what they have realized from the assets. This division shall be made proportionally to the amount paid in by each shareholder; but no shareholder in arrear, on the payment of his calls, shall be entitled to participate in the division,

Division of amounts realized from sale of assets.

How made and who to participate in, &c.

so long as the other shareholders shall not have been reimbursed in full for the payment of those calls which he shall have neglected to pay ; and every shareholder, so in arrear, shall be charged with interest at the rate of six per centum per annum, on the amount of his calls due and unpaid, and such interest shall diminish in proportion to the amount which shall be reimbursed to the other shareholders in respect of the same calls.

Members may be paid by transfer of claims.

20. In case it should be resolved to pay some of the members by means of transfers of claims or moneys due to the Society, it shall be lawful for the Liquidators to divide such claims or debts due to the Society into several parts, and to transfer a part or parts to different members. The debtors of whose debts such transfers may be made shall suffer such division and pay to the creditors so delegated :—no debt shall be divided into more than four parts, and the debtor shall not be bound to pay elsewhere than at his domicile, if he has any, in the place where the debt was contracted ; and if he has no domicile, then he shall be bound to pay at the domicile or elected domicile of the creditors in the place where the debt was contracted.

Effect of transfer.

As to payment of principal money due to the society under obligations.

21. The principal money due under every obligation executed by any shareholder in favor of the Society, the day of payment of which is undefined, or which is appointed to be paid on the extinction of any class, shall continue to become payable according to the terms of the obligation itself, and of the by-laws of the Society ; but moreover, the Liquidators may from time to time, exact, on account of the principal moneys of such obligations, the payment of such amounts as may be necessary for the purpose of placing the shareholders on a footing of equality with respect to the final result of the liquidation ; but such amounts shall not become payable until after a month's notice to the debtors.

Provisions when appropriations to members are payable by terms without interest.

22. In any Society where the appropriations obtained by members are repayable in payments extending over a term of years without interest, the members having obtained any such appropriation, and being bound by obligation or otherwise so to repay the same, shall pay to the said liquidators in addition to the principal sum so received by each of them, a sum of money which shall be equivalent to interest at the rate of interest authorized by the Act of the Parliament of the Dominion of Canada (42 Vict., chap. 48), for the time for which each of them shall have had the use of the said principal sum, and the said amount so to be payable for interest shall be computed

from the time each of such members received the principal sum of each appropriation, up to the time that he shall have repaid it in full, and in such manner that he shall pay interest for the length of time he shall have had the said sum and each or any portion thereof on the said sum, and on the portion or portions thereof he shall have had and not repaid as the case may be. The total amount of the said interest having been so ascertained, the said Liquidators shall credit, on account thereof, the said debtor with the amount of weekly subscriptions paid in by him upon the subscription-book on which he has obtained any such appropriation, up to the date of the liquidation of such Society, and shall apportion the balance into payments to be made at such times as they may fix, during and beyond the term granted for the repayment of the principal sum of the said appropriation; Provided always, that the said debtor shall not be obliged to pay in any one year, as such interest, any larger sum than the amount which, had the Society continued in operation, he would have been bound to pay to it in such year as subscriptions on the subscription-book, on which he obtained such appropriation.

Proviso.

No sum paid by a member as premium or bonus, to obtain an appropriation, shall be carried to the credit of the debtor or deducted from the amount which he shall have to pay for interest under the foregoing provisions.

As to amount paid as premiums for appropriations.

23. The Liquidators shall give such security and shall receive such remuneration as may be determined upon at a meeting of the shareholders, and shall be at all times bound to obey orders given to them by resolutions adopted at a regular meeting of the members, in so far as such orders may be consistent with law and the by-laws; they may be dismissed at any such meeting, may be replaced by others, and on their dismissal they shall hand over all the assets of the Society, as well as all its books and papers, to their successors, or to any person appointed by such meeting, under a penalty of fifty dollars for every day of retention of any such assets, books and papers, which penalty may be recovered by any member of the Society by civil action as a debt, and shall be enforceable by imprisonment until paid. In case of a vacancy arising through death or refusal to act, such vacancy shall be filled by the shareholders at a general meeting, and until such vacancy be filled, the Liquidators remaining in office, shall continue to exercise the same powers; but it shall be their duty to convene without delay, a meeting of the shareholders for the purpose of filling such vacancy.

Liquidators, to obey orders from meetings, and pay over on dismissal.

Shareholders may authorize division in kind of the property of the society.

24. The shareholders, in general meeting assembled, may authorize the division in kind of the whole or a part of the property of the Society, and also the payment in kind of the proportional amount accruing to any shareholder in respect of his shares; they may also authorize the sale in one lot of all the assets of the Society on such terms as they may see fit. They may also authorize the Liquidators to purchase for the benefit of the Society, the rights of any shareholder, and to pay for the same either in money or in kind, that is to say, with the property of the Society.

Responsibility.

25. The Liquidators shall not be subject to any greater responsibility than the Directors of the Society are subject to by law and by the by-laws of the Society.

Interim and final report of liquidators to meetings of shareholders, and dissolution of society at final meetings.

26. The Liquidators shall make a report of the state of the Society's affairs to the shareholders, at each annual general meeting, and at such other meetings as the shareholders may determine upon for that purpose; and on the occasion of the final liquidation, the liquidators shall make a report to a final meeting of the shareholders called for that purpose, which report shall be subject to the approval of the meeting; and such meeting shall then have power to dissolve the Society and to surrender its charter, which shall thereupon expire and become null and void; and at such final meeting, the shareholders may make such orders as they think fit with respect to the custody of the books, papers and records of the Society; provided always that, if there remain debts to be paid to unknown creditors, or to creditors to whom payment cannot be made, the Liquidators before such final meeting shall deposit the amount in the hands of the Treasurer of the Province of Quebec, under the authority of the act 35 Viet, chap. 5, intituled: "An Act respecting Judicial and other Deposits," and of the Acts amending the same, and shall, in so doing, comply with the formalities prescribed by the said act and its amendments; and the charter shall not be surrendered until after such deposit has been made.

Act of Quebec, 35 V. ch. 5, cited.

Cessation of fines.

27. No fine shall be incurred after the day on which liquidation is resolved upon.

Address of shareholders to be left at domicile.

28. Every shareholder shall leave his address, in writing, at the Society's office; and every special notice required shall be sent to such address: and in case any shareholder neglects to conform to the above requirement, such notice shall be addressed to him at his last known place of residence, and if there is none such, then at the place where the Society has its principal office or place of business.

29. Any fifteen Shareholders of any Building Society shall have power to call a special general meeting of the Shareholders thereof, to propose the liquidation of its affairs, by giving public notice thereof in conformity with the fifteenth section of this Act.

Power to any 15 shareholders to call a special meeting for the purpose of this act.

30. Section 15 and following sections of the present act shall not apply to permanent shares of Building Societies, when such shares shall have been paid up in full, and converted into irredeemable capital, unless three fourths of the members present at a meeting called to consider the liquidation, decide upon liquidation.

Limitation of application of this act.

31. All the provisions of chap. 69 of the Consolidated Statutes for Lower Canada, intituled : " An Act respecting Building Societies," which may be inconsistent with the present act, are repealed.

Inconsistent provisions of ch. 69, C.S.L. C., repealed.

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

Act in force.

SCHEDULE A.

Under the Authority of the Act of the Legislature of Quebec Schedule. 42-43 Vict., Chap. 32.

Building Society
 Negotiable
 Debenture No _____ Building Society for value received,
 The _____ or to bearer the
 promise to pay to _____ day of _____ in the year of our Lord one
 thousand eight hundred _____ at its office here, the
 sum of _____ with interest at the rate of _____
 per cent per annum, payable half yearly upon pre-
 sentation of the coupon prepared for that purpose here-
 unto annexed, namely the _____ day of _____ and the
 day of _____

Dated at _____ the _____ day of _____ 18 _____ .

A. B.
 President

C. D.
 Secretary-Treasurer.