

## SCHEDULE.

Number of Debentures,  
issued and amounts  
number, and amount  
of each debenture. Date at which they fall due.  
Rate of interest and date of payments.

## CAP. LXVI.

An Act to authorize the "V. Hudon Cotton Mills Company, Hochelaga," to issue debentures on the security of the property of the said company and for other purposes."

[Assented to 24th December, 1875.]

**W**HEREAS by letters-patent issued under the great seal <sup>Preamble:</sup> of the province, on the 10th of february, 1873, a company having for its object the manufacture and sale of cotton, was incorporated under the provisions of the act respecting the incorporation of joint stock companies, 31 Vict., chap. 25, under the name of the "V. Hudon Cotton Mills Company, Hochelaga," with a capital of \$200,000; and whereas by supplementary letters-patent, issued on the 10th february, 1874, the said company was authorized to increase its capital stock to the sum of six hundred thousand dollars; and whereas the said company has been since its said incorporation, and now is in full operation; and whereas the directors of the said company have by their petition shown, that it would be advantageous to the said company to allow them in an easy and inexpensive manner to borrow, on the security of the property of the said company, the sums that may be required by them in the prosecution of their works, by permitting them to issue debentures constituting a mortgage on the property of the said company; and whereas the directors of the said company have also prayed for other powers; and, whereas it is expedient to grant the prayer of their petition; Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

1. The said "V. Hudon Cotton Mills Company, Hochelaga," is authorized to issue bonds or debentures, <sup>The company may issue debentures to the amount of \$250,000.</sup> conveying a hypothec on their property, to the sum of \$250,000, in one or several distinct issues, as the directors of the said company may deem expedient.

2. Every such issue of bonds or debentures shall, on <sup>The issue of</sup> pain of nullity, be decided upon and authorized by a such debent-

tures shall be authorized by by-law.

by-law of the directors of the said company ; and such by-law shall contain :

1. Mention of the amount up to which such debentures shall issue ;

2. An indication of the number in order of such issue so authorized, whether it is the 1st, 2nd or 3rd, &c. ;

3. The description, in accordance with the provisions of the civil code of Lower Canada, of the property hypothecated for the payment of such debentures ;

4. The time and place of payment of such debentures and the *coupons* thereof, and the rate interest not exceeding eight *per cent* that they bear.

Such by-law shall afterwards be approved by the shareholders of the said company, at an annual general or special meeting thereof, after fifteen days notice of such meeting having been given to the shareholders.

Such by-law shall be en-registered.

3. As soon as such by-law shall have been passed, and before any of the debentures the issue whereof has been so authorized shall have been issued, negotiated or placed in circulation, a copy of such by-law duly certified by the president and secretary of the said company, shall be en-registered in the office of the registration division in which are situated the immoveable property or properties to be affected for the payment of such debentures ; and all debentures thereafter issued in virtue of such by-law shall convey a hypothec, from the date of such enregistration against the said immoveable property or properties in favor of any bearer thereof for the time being, without it being necessary to enregister the said, or any of the said debentures or to execute any other formality.

Debentures shall convey a hypothec from the date of such enregistration.

Debenture states the date of the enregistration of the by-law.

4. Every debenture issued as aforesaid shall, under the certificate of the president and secretary of the company, state the date of the enregistration of the by-law authorizing the issue thereof.

Order of the privilege of the debentures proceeding from different issues.

5. If the debentures issued are issued at one time, for the total sum authorized by this act, they and each of them shall have an equal privilege upon the immoveable or immoveables affected for their payment ; but if they are of different issues, for less sums, those of the first issue shall each concurrently have the first hypothec upon the said immoveable or immoveables, those of the second issue the second hypothec and so on for the other issues.

The hypothec shall affect engines, looms, &c.

6. The word "immoveable" hereinabove employed shall mean not only the immoveable properties of the said company, but also all engines, mills, looms and other machines used by the said company, in and upon the said immoveable properties described in the by-law authorizing

the issue of the debentures, as being affected for the payment thereof.

**7.** Every debenture issued by the said company and made payable to bearer, or to a person therein named, or to the bearer, may be transferred by delivery; and such transfer shall convey the property therein to the holder, and shall give him the right to bring and maintain a suit at law upon such debenture in his own name; and every such debenture made payable to a person, or to a person, or his order, shall be transferable by the endorsement of such person, and such transfer shall transfer the property therein to the holder and shall give him the right to maintain an action upon the said debenture in his own name.

Debentures payable to the bearer transferable by delivery  
Payable to order transferable by endorsement.

**8.** In any suit or action upon such debenture, it shall not be necessary for the plaintiff to allege or prove the manner in which he became the holder of such debenture; nor to allege nor prove the fulfilment of any of the formalities required for the issue of such debenture, but it shall be sufficient, if the plaintiff is described as the holder of such debenture, to allege briefly its legal effect and to make proof in consequence.

What shall be sufficient to allege in any suit upon debenture.

**9.** Every such debenture issued as aforesaid shall be valid and recoverable in its entirety, although it may have been negotiated at a rate under par, or at a rate of interest more than six *per cent per annum*.

Debentures valid in their entirety.

**10.** Whenever any debenture issued as aforesaid shall have been redeemed or paid by the said company, it shall be cancelled and annulled by the president and the secretary of the said company, by their writing across the same the date of such payment, and the name of the person to whom it was made payable, and by making such other marks upon it as the directors shall deem necessary; and the said company may afterwards on presentation of such debenture or debentures to the registrar of the registration division in which the by-law authorising the issue thereof shall have been enregistered, together with a declaration sworn to by the president and the secretary of the company, certifying that such debentures have been paid and redeemed as aforesaid, shall obtain the striking out and discharge of the hypothec created by the enregistration of such by-law, up to the amount of such debentures so redeemed and cancelled.

Recovery and annulment of the debentures.  
Withdrawal of the hypothec in consequence.

**11.** Notwithstanding the declaration in the letters-patent incorporating the said company, that its affairs shall be managed by a board of five directors only, it shall be

Number of the directors

may be fixed to nine. lawful for the said company, by a mere resolution of its board of directors to increase such number, provided always that it shall not at any time be fixed at more than nine.

Qualification of the directors.

**12.** The qualification of the directors of the said company established at \$5,000 by the letters-patent incorporating the same, shall be reduced to the sum of two thousand dollars.

Shares reduced to \$100 each.

**13.** The shares in the said company, which are at present \$500, shall for the future be only \$100 each; the capital of the said company shall consequently be \$600,000 divided into six thousand shares of one hundred dollars each; and any shareholders, owners of shares to the amount of five hundred dollars each, shall for the future be considered to be proprietors of the number of shares of \$100 sufficient to make the total sum of his capital, in the capital stock of the said company.

Act in force.

**14.** This act shall come into force the day of its sanction.

## C A P. L X V I I.

An Act to authorize the Paton Manufacturing Company of Sherbrooke to issue Preferential Stock of the said Company.

[Assented to 24th December, 1875.]

Preamble.

**W**HEREAS the Paton manufacturing company of Sherbrooke, have by their petition represented that it is necessary in order to carry out their undertaking, that the capital stock of the said company should be increased by the issue of preferential shares, and have thereby prayed for the passing of an act for that purpose, and it is expedient to 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:

Increase of capital.

**1.** The capital stock of the said company may be increased to six hundred and fifty thousand dollars, of which stock, five hundred shares, amounting to two hundred and fifty thousand dollars shall be preferential stock, and the holders thereof shall be entitled in each and every year to a dividend at the rate of ten *per cent*, *per annum*, before any dividend is declared or paid upon the balance of the stock of the company, which shall be known as ordinary stock.

Use of the balance of the profits.

After such rate is paid or set apart for dividends upon such preferential stock, the balance of profit applicable to