

A BILL TO INCORPORATE THE MERCHANTS FIRE INSURANCE COMPANY.

WHEREAS the persons hereinafter named, by their petition prayed to be incorporated with the powers hereinafter set forth and it is expedient to grant the prayer of the said petition;

Therefore his Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:-

1. John F. Glanville, Merchant; Reuben R. Jamieson, Mayor of the City of Calgary; Thomas A. Hatfield, Financial Broker, and George Tempest, Insurance Manager, together with such persons as become shareholders in the Company, are hereby incorporated under the name of "The Merchants Fire Insurance Company" hereinafter called the "company."

2. The head office of the company shall be in the City of Calgary, in the Province of Alberta, and branches, sub-boards and agencies may be established and maintained elsewhere in such manner as the directors from time to time appoint.

3. Capital stock of the company shall be \$500,000.00 divided into 5,000 shares of \$100 each. Such shares shall and are hereby vested in the several persons to whom they shall be allotted, their legal representatives and assigns, subject to the provisions of this Act:

Provided that it shall be lawful for the said company by by-law to increase its capital stock to a sum not exceeding one million dollars as a majority of the shareholders at a special general meeting expressly convened for that purpose shall determine.

4. The persons named in section 1 of this Act shall be the provisional directors thereof and they or a majority of them may cause stock books to be opened at the chief place of business of the company and elsewhere at the discretion of the

said provisional directors and shall remain open as long as they deem necessary; and are authorized to procure subscriptions of stock for the undertaking, make calls on stock subscribed and receive the payment therefor; and shall deposit in a chartered bank in Canada all moneys received by them on account of stock subscribed or otherwise received by them on account of the company and may withdraw the same for the purposes only of the company; and may do generally whatever is necessary to organize the company. So soon as the directors shall have been elected as hereinafter provided the powers and functions of the provisional directors shall cease and determine.

5. The company may make and effect contracts of insurance with any person against loss or damage by fire or lightning, in or to any houses, dwellings, stores or other buildings whatsoever and to any goods, chattels or personal estate whatsoever for such times and for such premiums and considerations and under such modifications and restrictions and upon such conditions as are bargained and agreed upon and set forth by and between the company and insured and do all such things pertaining thereto or connected therewith and as such have perpetual succession with a corporate seal and power from time to time to make, alter, break or change the same and shall be capable in law of contracting and being contracted with, of suing and being sued by, pleading and being impleaded in any court of law or equity.

(2) The company may also cause itself to be insured against any risk it may have undertaken in the course of its business.

6. So soon as \$200,000 of the said capital stock of the Company have been subscribed and ten per centum of the amount paid into some chartered bank the provisional directors may

call a meeting of the shareholders of the company at some place to be named in the City of Calgary at which meeting the shareholders present or represented by proxy shall elect a board of not less than five nor more than nine directors of whom a majority shall form a quorum.

(2) No person shall be a director unless he holds in his own name and for his own use at least twenty shares of the capital stock of the company and has paid all calls due thereon and all liabilities incurred by him to the company.

(3) It shall not be lawful for the company to commence the business of insurance until at least \$200,000 of the capital stock ~~of kkk company~~ shall have been subscribed and ten per cent of the amount so subscribed paid in and a board of directors elected as aforesaid.

7. The shares of the capital stock subscribed for shall be paid by such instalments and at such times and places as the directors appoint. The first instalment shall be not less than ten per cent and no subsequent instalment shall exceed ten per cent, and not less than thirty days' notice of the call of each subsequent instalment shall be given.

8. If any shareholders shall refuse or neglect to pay any call made upon the share or shares held by him for thirty days after the same shall become payable the board of directors may by resolution declare such share or shares and all amounts previously paid thereon to be forfeited to the said company and the same shall thereupon become so forfeited and may be sold by the directors:

Provided always that in case the money realized from any such sale of shares be more than sufficient to pay all arrears and interest together with the expenses of such sale, the surplus of such money shall be paid on demand to the former shareholder

and no more shares shall be sold than shall be necessary to pay all arrears due by said shareholder, with the interest and expenses of sale; and in all actions or suits for the recovery of such arrears or calls it shall be sufficient for the company to allege that the defendant being the owner of such shares is indebted to the said company in such sum of money as the calls in arrear amount to for such and so many shares whereby an action has accrued to the company by virtue of this Act and on the trial in order to establish a prima facie case it shall be necessary to prove only that the defendant was owner of the said shares in the company, that said calls were made, and that notice was given as directed by this Act and it shall not be necessary to prove the appointment of the directors who made such calls, or any other matter whatsoever than by this section specially required, and any copy or extract of any by-law, rule, regulation or minute or of any entry in any book of the company, certified to be a true copy or extract under the hand of the president or vice-president, the manager or secretary of the company and sealed with the corporate seal thereof shall be received in all courts and proceedings as prima facie evidence of such by-law, rule, regulation, minute or entry without any further proof thereof and without proof of the official character or signature of the officer signing the same or of the corporate seal.

9. If payment of such arrears, calls, interest and expenses be made before any share so forfeited shall have been sold such share shall revert to the owner as if the same had been duly paid before forfeiture thereof.

10. No transfer of any share of the capital stock of the said company shall be valid until entered in the books of the

company according to such form as may be from time to time fixed by the by-laws; and until the whole of the subscribed stock of the company is paid up it shall be necessary to obtain the consent of the directors for the time being to such transfer being made:

Provided always that no shareholder indebted to the company shall be permitted to make a transfer or receive a dividend until such debt is paid or secured to the satisfaction of the directors; and no transfer of stock shall at any time be made until all calls thereon due up to the time of transfer shall have been paid.

11. In the event of the property and assets of the said company being insufficient to liquidate its debts, liabilities and engagements the shareholders shall be liable for deficiency but to no greater extent than the amount of the balance remaining unpaid upon their respective shares in the capital stock.

12. The company or directors shall not be bound to see to the execution of any trust, either express, implied or constructive, affecting any share or shares of its stock; and notwithstanding any such trust or any notice thereof to the company or directors the receipt of the person in whose name any share stands shall be sufficient discharge to the company for any money paid in respect of such share or shares.

13. A general meeting of the company shall be called once in each year after the organization of the company and commencement of business at its head office, and at such meeting a statement of the affairs of the company shall be submitted; and special general and extraordinary meetings may at any time be called by any five directors or by requisition of any twenty shareholders specifying in the notice the object of

such meeting.

(2) The notice of each meeting shall be sufficiently given by a printed or written notice to each of the shareholders mailed at least twenty days before the date on which the meeting is called, and addressed to the addresses of the shareholders respectively given in the books of the company.

14. The company in general meeting may declare a dividend to be paid out of profits to the shareholders and such dividend shall be payable on the capital paid up on the shares held by them respectively, but in no case shall the dividend so declared be greater than that which is recommended by the directors. The company shall have a lien on the dividend payable to any shareholder in respect of any indebtedness or maturing obligation by or from such shareholder to the company whatsoever and the same shall forthwith be applied in discharge of such indebtedness or maturing obligation.

15. To take, purchase or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this company.

To enter into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession, or otherwise, with any person or company carrying on or engaged in, or about to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this company and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.

To promote any company or companies for the purpose of acquiring

all or any of the property and liabilities of this company, or for any other purpose which may seem directly or indirectly calculated to benefit this company.

To purchase or otherwise acquire, on such terms and in such manner as the regulations of the company from time to time provide, any shares in the company's capital stock.

16. At all general meetings of the shareholders of the company the president, or in his absence the vice-president, or in the absence of both of them a director chosen by the shareholders, shall preside, who in case of an equality of votes shall give the casting vote in addition to his vote as a shareholder.

(2) Each shareholder shall be entitled to cast one vote for every share held by him for not less than fourteen days prior to the time of voting and upon which all calls then due have been paid; such votes may be given either in person or by proxy, but the holder of such proxy must be a shareholder.

(3) All questions proposed for consideration of the shareholder shall be determined by the majority of votes.

17. At the first ordinary meeting after the registration of the company the whole of the directors shall retire from office; and at the first ordinary meeting in every subsequent year one-third of the directors for the time being or if their number is not a multiple of three then the number nearest to one-third shall retire from office.

18. The one-third or other nearest number to retire during the first and second years ensuing the first ordinary meeting of the company shall unless the directors agree among themselves be determined by ballot; in every subsequent year the one-third or

other nearest number who have been longest in office shall retire.

19. A retiring director shall be re-eligible.

20. The company at the general meeting at which any directors retire in manner aforesaid shall fill up the vacated offices by electing a like number of persons.

21. Any casual vacancy occurring in the board of directors may be filled up by the directors but any person so chosen shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred.

22. In case it should at any time happen that an election of directors of the said company should not be made on any day when it should have been made under the provisions of this Act, the said company shall not thereby be or be deemed to have been dissolved, but it shall be lawful on any other day to hold and make an election in such manner as may be regulated by the directors for the time being and the directors in office shall so continue until their successors have been duly elected.

23. Subject to the provisions of this Act the directors shall have full power and authority to make and from time to time to alter such by-laws, rules, regulations and ordinances as shall appear to them proper or needful, touching the well-ordering of the business of the company, the management and disposition of its stock, property, estate and effects, and in all things to administer the affairs of the company and to make or cause to be made for the company all contracts into which by law the company can enter and may from time to time make by-laws regulating the allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of stock certificates, the



forfeiture of stock for nonpayment, the disposal of such forfeited stock and the proceeds thereof, the transfer of stock, the declaring and payment of dividends, the number of directors, the appointment, functions, duties, and removal of agents, officers and servants of the company, the security to be given by them, their remuneration, and that, if any, of the directors, the time and place of annual meetings of the company, the calling of meetings of the board of directors and meetings of the company, the requirements as to proxies, the procedure in all things at meetings, the imposition and recovery of all penalties and forfeitures admitting of regulation by by-laws and the conduct and management in all other particulars of the affairs of the company and may from time to time repeal, amend or re-enact the same;

Provided always that all such by-laws made by the directors as aforesaid shall only be valid and binding until the next annual general meeting of shareholders; unless they are then approved by such meeting and shall thereafter have force and effect as so approved or modified at such meeting until amended or altered.

24. The company shall have power to acquire and hold real estate for the purpose of its business within this province of a total value not exceeding one hundred thousand dollars, and to sell and dispose of the same and acquire other property in its place as may be deemed expedient, and further to take, hold and acquire all such lands and tenements, real or personal estate as shall have been bona fide mortgaged to it by way of security or conveyed to it in satisfaction of debts previously contracted in the course of its business, or purchased at sales upon judgments which shall have been obtained for such debts or purchased for the purpose of avoiding a loss to the company in respect thereof, or of the

owner thereof, and to retain the same for a period not exceeding fifteen years from the acquisition thereof; and the company may invest its funds or any part thereof in any of the public securities of the Dominion of Canada or any of the provinces thereof or in the stocks of any banks, or in the shares, stocks, bonds or debentures of any insurance company, or in the bonds or debentures of any incorporated city, town or municipality authorized to issue bonds or debentures or in mortgages or loans upon real estate or in real estate.

25. The company shall have power to amalgamate with or purchase the business of any other insurance company or to sell out or dispose of the business of the company to any other such company upon such terms and conditions as may be agreed upon and as shall not impair the resources or remedy of any creditor or policy holder of either company to the transaction; but before the completion of any such amalgamation, purchase or sale the same must be approved of by two-thirds of the votes of the shareholders at an annual general meeting or of a special general meeting called for the purpose.

26. The directors shall cause to be prepared and submitted to the shareholders at each annual general meeting a full and correct statement of the accounts of the company, a general abstract of the estimated liabilities and assets of the company and a list of shareholders showing the amount of stock held and the amount of unpaid thereof respectively.

27. One or more auditors shall be appointed by the shareholders at each annual general meeting, whose report shall be embodied

in the general statement of the affairs of the company submitted to the shareholders as provided in the next preceding section.

28. The company shall have the power to purchase and take over all the business, assets, contracts, rights, effects and properties real and personal of whatever kind and wheresoever situated belonging to or vested in The Merchants Fire Insurance Company, Limited, or to which it is or may be or may become entitled and to assume, pay, discharge, carry out and perform all the debts, liabilities, obligations and contracts of said last mentioned company upon such terms and conditions as may be agreed upon, including therein the right of the directors of the first mentioned company to allot shares in said company to the shareholders of The Merchants Fire Insurance Company, Limited, and to receive and to accept as sufficient payment of said shares so allotted or of the calls made upon the same, the transfer to the company by this Act incorporated of all the right, title and interest of said shareholder or shareholders of, in and to the said Merchants Fire Insurance Company, Limited and of, in and to his or their share or shares in the same or such portion thereof as may be agreed upon which said last mentioned company was incorporated on the 28th day of December, A.D., 1907 under and by virtue of THE COMPANIES ORDINANCE of the North-West Territories of 1901, with head office at the said City of Calgary.

29. This Act and the company hereby incorporated and the exercise of the powers hereby conferred shall be subject to any general laws in force or that may hereafter be in force respecting Insurance companies, in virtue of any ordinance or Act passed or which may be hereafter enacted by the Legislature of this Province.

Calgary January 7th, A. D., 1909

TO HIS HONOUR THE HONORABLE  
TERRITORY-GOVERNOR OF THE  
PROVINCE OF ALBERTA, IN COUNCIL

and  
TO THE LEGISLATIVE ASSEMBLY OF  
THE PROVINCE OF ALBERTA.

SESSION 1909.

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IN re BILL TO INCORPORATE

THE MERCHANTS FIRE INSURANCE CO.  
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PETITIONS AND COPY OF BILL  
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