

Bill No. 76 of 1955

A BILL TO AMEND THE COMPANIES ACT

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NOTE

This Bill amends *The Companies Act*, being chapter 240 of the Revised Statutes of Alberta, 1942.

If the Bill enacting *The Securities Act, 1955*, is proceeded with, the provisions of this Act relating to prospectuses will require amendment, as that new Act will contain most of the prospectus requirements for companies. Therefore, sections 29, 30, 31, 84 and 85 and Forms 4, 5, 6, 7, 7a, 8 and 8a of the Second Schedule will be repealed by this Act; and sections 52, 83, 86a, 135 and 145 will be amended to remove conflict with the provisions of *The Securities Act, 1955*.

Section 19, subsection (1), clause (h) is amended to make it clear that the general power of a company to borrow money is not restricted to the means thereafter set out in the clause.

Section 73 is amended to include provisions to permit and deal with issues of preferred shares in series.

Section 163, subsection (1), clause (d) is amended to make reference therein to special Act companies with share capital.

The provisions of this Bill dependent upon *The Securities Act, 1955*, are to come into force on Proclamation, while sections 2, 5 and 11 of the Bill will come into force upon assent.

J. W. RYAN,  
*Acting Legislative Counsel.*

*(This note does not form any part of the Bill but is offered in explanation of its provisions.)*

# BILL

No. 76 of 1955

An Act to amend The Companies Act

(Assented to \_\_\_\_\_, 1955)

**H**ER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

**1.** *The Companies Act*, being chapter 240 of the Revised Statutes of Alberta, 1942, is hereby amended.

Section 19  
amended

**2.** Section 19, subsection (1), clause (*h*) is amended by striking out the words "in particular" and by substituting the words " , without limiting the generality of the foregoing,".

Sections 29,  
30 and 31  
repealed  
Section 52  
amended

**3.** Sections 29, 30 and 31 are repealed.

**4.** Section 52 is amended

(a) as to subsection (3) by striking out the words "Subject to subsection (4), upon" and by substituting the word "Upon",

(b) by striking out subsections (4) and (5).

Section 73  
amended

**5.** Section 73 is amended by adding immediately after subsection (2) the following new subsections:

Shares issued  
in series

"(2a) If any class of shares has attached thereto preferred rights as to dividend, the shares of that class may from time to time be issued in one or more series and the directors may from time to time before issuance, fix the designation, rights, restrictions, conditions and limitations attaching to the shares of each series of such class.

Voting  
rights on  
shares issued  
in series

"(2b) The shares of all series of the same class carrying voting rights shall not carry the right to more than one vote for each share, and when any fixed cumulative dividends or amounts payable on a return of capital are not paid in full, the shares of all series of the same class shall participate rateably in respect of such dividends including accumulations, if any, in accordance with the sums that would be payable on the said shares if all such dividends were declared and paid in full, and on any return of capital in accordance with the sums that would be payable on such return of capital if all sums so payable were paid in full.

Special  
resolution re  
shares issued  
in series

"(2c) No shares of any series of such class shall be issued unless and until a special resolution authorizing the same has been passed setting forth the designation, rights, restrictions, conditions and limitations attaching to the shares of such series except in the case of the first series

if such designation, rights, restrictions, conditions and limitations have been set forth in the memorandum of association or altered memorandum of association.”.

**6. Section 83 is amended**

Section 83  
amended

- (a) as to subsection (1b) by striking out the words “signed by every person who is a director or a proposed director of the company on the date of its issue or by his agent duly authorized in writing”,
- (b) by adding immediately after subsection (2a) the following new subsection:

“(2b) Where a company issues any invitation to the public to subscribe to its shares, the prospectus filed with the Registrar under this section shall be an exact copy of the prospectus accepted for filing by the Alberta Securities Commission under *The Securities Act, 1955*.”.

**7. Sections 84 and 85 are repealed.**

Sections  
84 and 85  
repealed

**8. Section 86a, subsection (1) is amended by striking out the words and figures “section 84 or section 85, as the circumstances require” and by substituting the words and numerals “Parts VIII, IX or X, as the case may be, of *The Securities Act, 1955*.”.**

Section 86a  
amended

**9. Section 135, subsection (3) is amended by striking out clauses (b) and (d).**

Section 135  
amended

**10. Section 145 is amended**

Section 145  
amended

- (a) as to subsection (1) by striking out the words and figures “sections 83 and 84 or 85” and by substituting the words and figures “section 83 of this Act and Parts VIII, IX or X, as the case may be, of *The Securities Act, 1955*,”
- (b) as to subsection (2) by striking out the words and figures “Paragraphs (b), (c) and (d) of subsection (4) of section 84 and of subsection (3) of section 85” and by substituting the words and figures “Parts VIII, IX or X, as the case may be, of *The Securities Act, 1955*,”

**11. Section 163, subsection (1), clause (d) is amended by adding immediately before the word “no” the words “or a company incorporated by special Act of the Legislature and having share capital,”.**

Section 163  
amended

**12. The Second Schedule is amended by striking out Forms 4, 5, 6, 7, 7a, 8 and 8a.**

Second  
Schedule  
amended

**13. (1) This Act, other than sections 2, 5 and 11, comes into force on a date to be fixed by Proclamation of the Lieutenant Governor in Council.**

Coming  
into force

**(2) Sections 2, 5 and 11 come into force on the day upon which this Act is assented to.**

THIRD SESSION  
TWELFTH LEGISLATURE  
4 ELIZABETH II  
1955

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**BILL**

An Act to amend The Companies Act.

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Received and read the

First time.....

Second time.....

Third time.....

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HON. MR. GERHART

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