

No. 54

2nd Session, 14th Legislature, Alberta
9 Elizabeth II

BILL 54

A Bill to amend The Co-operative Associations Act

HON. MR. PATRICK

Explanatory Note

2. Section 8 presently reads:

"8. No association shall be registered under a name identical with that by which another existing association has been registered, or so nearly resembling it as to be likely to deceive the members or the public, and the word "Limited" shall be the last word in the name of an association registered under this Act."

3. (a) This amendment is made to enable co-operative associations to acquire securities of extra-provincial associations registered under this Act. (See clause 6 of this Bill). Section 12, subsection (1), clause (d) presently reads:

"12. (1) An association has, as ancillary and incidental to the object or objects set forth in the memorandum of association, the following powers, unless such powers or any of them are expressly excluded by the memorandum,

.....

(d) the power to take or otherwise acquire and hold shares, stock, debentures or other securities of a company, association or society incorporated by or under the provisions of an Act of Alberta, and having objects wholly or in part similar to those of the association, and to sell or otherwise deal with the same,".

(b) Section 12, subsection (2) presently reads:

"(2) The association accepting deposit money from a member shall keep such money in a trust account available to the member on his demand."

4. Self-explanatory.

BILL

No. 54 of 1961

An Act to amend The Co-operative Associations Act

(Assented to _____, 1961)

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

1. *The Co-operative Associations Act*, being chapter 59 of the Revised Statutes, is hereby amended.

2. Section 8 is amended

- (a) by renumbering the section as subsection (1),
- (b) as to the renumbered subsection (1) by striking out the words “, and the word “Limited” shall be the last word in the name of an association registered under this Act”,
- (c) by adding after the renumbered subsection (1) the following subsection:

(2) The word “Limited” or the abbreviation “Ltd” shall be the last word of the name of each association, but in either case the association may use “Limited” or “Ltd” and reference may be made thereto in the same manner.

3. Section 12 is amended

- (a) as to subsection (1), clause (d) by adding immediately after the word “Alberta” the words and figures “or registered under section 45c”,
- (b) by striking out subsection (2) and by substituting the following:

(2) An association accepting deposit money from a member may invest such money in any manner that the board of directors may decide and the money may be withdrawn by the member in accordance with the supplemental by-laws of the association.

4. The following heading and section are added immediately after section 12:

Sale of Securities

12a. (1) No association shall offer for sale any bond, debenture or debenture stock until it has filed with the

5. This amendment provides for the expulsion of a member from a co-operative association.

6. This clause will add provisions to enable co-operative associations from other provinces to be registered under this Act and to put them under the supervision of the Supervisor of Co-operative Activities. At the present time there is no legislation respecting such associations but they are being registered under the foreign companies provision of The Companies Act.

45b. Extra-provincial association required to be registered and to comply with the Act.

45c. Registration of extra-provincial association.

Supervisor a prospectus and such information as he may require and the Supervisor has approved of the prospectus.

(2) The Supervisor may waive the necessity of filing the prospectus required under subsection (1).

(3) The prospectus referred to in subsection (1) shall set forth such information as the Supervisor may require.

5. The following new section is added immediately after section 35:

35a. (1) The director of an association may, by a resolution passed by a majority of not less than three-fourths of those present at a duly called board meeting, order the expulsion of a member from the association in the manner provided in the standard by-laws.

(2) Upon the expulsion of a member from membership in the association, subsection (2) of section 35 shall apply *mutatis mutandis* to the expulsion as if the member had withdrawn from the association.

6. The following heading and sections are added immediately after section 45:

PART I A

EXTRA-PROVINCIAL ASSOCIATIONS

45a. In this Part, "extra-provincial association" means a corporation

- (a) that has for its objects the operation of any enterprise or service on a co-operative basis for its members or members and patrons, and
- (b) that is incorporated otherwise than by or under an Act of the Province.

45b. (1) Every extra-provincial association shall cause itself to be registered under this Act before commencing to carry on business in the Province and except as hereinafter provided shall comply with the requirements of this Act.

(2) An extra-provincial association that fails to comply with subsection (1) is guilty of an offence and is liable on summary conviction to a fine of twenty dollars for each day during which the failure continues.

45c. (1) Every extra-provincial association required to be registered under this Part shall file with the Supervisor such evidence of its incorporation, and operating methods as he may require.

(2) The Supervisor may, in his discretion, refuse registration of an extra-provincial association.

45d. Rights and powers of extra-provincial associations.

45e. Revocation or suspension of registration.

(3) Where the Supervisor accepts an extra-provincial association for registration he shall transmit the registration fee to the Registrar who shall register the association and issue a certificate of registration to it.

(4) A certificate of registration issued by the Registrar in respect of an extra-provincial association or company is, while it remains in force, admissible in evidence as conclusive proof of registration under this Act.

45d. (1) An extra-provincial association may

(a) subject to any limitations contained in the law under which it was incorporated, and

(b) subject to subsection (2),

exercise all the rights, powers and privileges by this Act granted to or conferred on associations.

(2) The Supervisor may, by order, restrict the rights, powers or privileges that an extra-provincial association may exercise in the Province.

45e. (1) Where the Supervisor has reasonable cause to believe that an extra-provincial association

(a) has ceased to carry on business on a co-operative basis, or

(b) is not in operation, or that registration was obtained by fraud or mistake,

he may, unless cause to the contrary is shown, after giving the association at least three months' notice of his intention to do so, direct the Registrar to revoke the registration of the association.

(2) The Supervisor may suspend or revoke the registration of an extra-provincial association or company for failure to comply with any provision of this Act or for other good cause, and may also remove or cancel a suspension or revocation subject to any conditions that he deems proper.

(3) No suspension or revocation affects the rights of any creditor of the corporation.

(4) Where the registration of an extra-provincial association is revoked or suspended the Registrar shall publish notice thereof in *The Alberta Gazette*.

7. This Act comes into force on the day upon which it is assented to.

No. 54

SECOND SESSION

FOURTEENTH LEGISLATURE

9 ELIZABETH II

1961

BILL

An Act to amend The Co-operative
Associations Act

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. PATRICK
