

No. 15

5th Session, 14th Legislature, Alberta
11 Elizabeth II

BILL 15

A Bill to Incorporate Alberta Central Credit Union Limited

MR. RUSTE

BILL

No. 15 of 1963

An Act to Incorporate Alberta Central Credit Union Limited

(Assented to , 1963)

Preamble

WHEREAS Alberta Central Credit Union Limited was duly incorporated under the provisions of *The Credit Union Act, 1938* of Alberta (hereinafter referred to as "the Original Credit Union").

AND WHEREAS Alberta Central Credit Union Limited has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition:

THEREFORE, Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Alberta enacts as follows:

Incorporation

1. The shareholders of record at the close of business on the thirtieth day of November, 1962, on the register of shareholders of the Original Credit Union, including all shareholders as of said date together with such credit unions, associations and companies as shall become thereafter shareholders in the company, are hereby reconstituted as a body corporate, with the name of the "Alberta Central Credit Union Limited" and with all the rights, powers, privileges, responsibilities and obligations herein set forth.

Authorized capital

2. The authorized capital of the company shall consist of common shares of an unlimited number, with a nominal or par value of one hundred dollars each.

Registered office

3. (1) The registered office of the company shall be situated in the City of Calgary in the Province of Alberta, or at such other place in the said Province as the company may determine.

(2) The directors may establish branch offices at such other places as they may from time to time determine.

Membership

4. (1) Holding of shares in the company shall be restricted to credit unions, associations and companies incorporated or registered by or under *The Credit Union Act*, *The Co-operative Associations Act*, or by or under general or special legislation of Canada and the holding of shares shall be subject to such terms and conditions as shall be determined from time to time by by-law.

(2) The board of directors may refuse applications for shares from any credit union, association or company.

Assets

5. The company shall be forthwith the owner of all the assets of the Original Credit Union and shall assume all the responsibilities and liabilities of the Original Credit Union.

Objects

6. The objects of the company shall be:

- (a) to advance the credit union and co-operative movements as systems of conducting business, having service for its motive towards serving the economic welfare of its shareholders and members of shareholders and of the general public;
- (b) to provide a source of credit and investment for its shareholders and to provide a source of credit for members of its shareholders and to provide a stable organization to assist the needs of its shareholders;
- (c) to associate itself with and to provide opportunity for mutual assistance among other credit union and co-operative organizations, societies and associations throughout the Province of Alberta and throughout Canada.

**Objects
and powers**

7. The further objects of the company shall be and the company shall have power:

- (a) to receive money on deposit from its shareholders upon such terms as to interest, security, time of payment and otherwise as may be agreed on;
- (b) to receive money on deposit from the Government of Alberta, any department, bureau or agency of the said Government and any municipal corporation, board, commission or Crown corporation established by or under an Act of the Legislature;
- (c) to loan money to its shareholders for the purpose of any business or undertaking which the shareholder is authorized to carry on, on such terms as to interest, security, time of payment or otherwise as may be agreed on and such loans may be made alone or jointly with any other corporation eligible for membership in the company under the provisions of section 4;
- (d) to loan money to members of shareholders of the company at the request of a shareholder of the company, for the purpose of any lawful business or undertaking, on such terms as to interest, security and time of repayment as shall be considered advisable by the board of directors and such loans may be made alone or jointly with any other member of a shareholder of the company;

- (e) to receive, invest and manage redemption funds for its shareholders on such terms as may be agreed upon and to act generally as agent for the transaction of business for its shareholders;
- (f) to borrow or raise or secure the payment of money in such manner as the company thinks fit;
- (g) to charge, hypothecate, mortgage or pledge its real or personal property, including its unpaid calls, to secure any liability for the repayment of moneys borrowed;
- (h) to deposit moneys in chartered banks in Canada, Treasury Branches, in post office savings banks or with trust companies authorized to receive money on deposit or with any society or association incorporated under any credit union Act, or in or with any company, society or association incorporated by or under the provisions of any credit union or co-operative Act of any province of Canada, having objects wholly or in part similar to those of the company;
- (i) to invest in securities authorized by *The Trustee Act*; to invest in debentures, debenture stock, mortgages, securities or any negotiable or transferable instruments either to bearer or otherwise, issued or made by any society or association incorporated under any credit union Act; and to become a member of and for such purpose to invest in shares of any society or association incorporated under any co-operative Act; and to invest moneys in any investments which life insurance companies are authorized by the laws of the Government of Canada or of the Government of Alberta to invest their funds;
- (j) to take securities of such nature covering real or personal property of any kind whatsoever as are deemed expedient to secure the repayment of any moneys loaned by or owing to the company;
- (k) to sell, pledge, hypothecate or mortgage any mortgage or other security or any other real or personal property held by the company from time to time, and to make and execute all requisite conveyances, assignments, transfers and assurances in respect thereof;
- (l) to borrow or raise or secure money upon such terms and in such manner as the company may think fit; and in particular by the issue of bonds, debentures, debenture stock or other securities either conferring no charge or conferring a fixed charge or a floating charge or both, by way of a trust deed or otherwise, upon all or any of the company's property both present and future, including its uncalled capital, and to sell or pledge such bonds, debentures, debenture stock or other

securities for such sums and at such prices as may be deemed expedient and to purchase, redeem or pay off the same, and generally to mortgage, charge, hypothecate or pledge all or any of the company's property, both present and future;

- (m) to draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants, documents of title and other negotiable or transferable instruments;
- (n) to provide for the government and control of the company and for the administration of the company's affairs as follows:
 - (i) the shareholders shall appoint delegates in accordance with manner prescribed by by-law, to represent them at any and all meetings of the company including the annual meeting of the company;
 - (ii) delegates so appointed may exercise fully and completely in every way the powers of the shareholders whom they represent;
 - (iii) delegates so appointed shall at the annual meeting of the company in each year elect directors in the manner prescribed by by-law and the said directors so elected shall constitute the board of directors of the company and for the period of their office as directors shall manage, control and administer the business of the company subject to such policies as may be determined by the shareholders from time to time through their appointed delegates;
- (o) to provide by by-law that a meeting of the shareholders of the company shall mean a meeting of the delegates of the shareholders of the company for all purposes;
- (p) to provide by by-law for the election and powers of directors;
- (q) to remunerate and pay the expenses of directors or shareholders in connection with the business of the company;
- (r) to buy from the holder or holders thereof and to pay off for the purpose of redemption or cancellation any or all of the shares of the company, but subject to the following conditions:
 - (i) no share shall be bought or paid off when the company is insolvent;
 - (ii) the aggregate of amounts paid for shares and amounts expended in paying off shares shall not in any year exceed ten per cent of the paid-up capital of the company as at the immediately preceding first day of January plus the amount of capital paid up since that day;
 - (iii) no share shall be bought or paid off if thereby the number of shareholders of the company

would be reduced to less than one hundred or the amount of the paid-up capital of the company would be reduced to less than one million, five hundred thousand dollars;

- (s) to pay the expenses of and incidental to the formation and incorporation of the company or to enter into contracts with any person, firm, association or company to pay the same;
- (t) to become a member of any federation formed in pursuance of the provisions of any credit union Act;
- (u) to form any subsidiary or other company calculated directly or indirectly to benefit the company and to contribute to the funds or capital of or acquire or hold shares in any such subsidiary or other company so formed and to subscribe for, purchase, hold, acquire or dispose of bonds, debentures or securities thereof;
- (v) to purchase, take on lease or in exchange, hire or otherwise acquire and hold any real or personal property which the company may deem necessary or convenient for the purpose of its business and to sell, mortgage, lease or otherwise dispose of such property;
- (w) to act as agent, broker, factor or attorney for others engaged in the same or any other similar business;
- (x) to do all or any of the above things as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others;
- (y) to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the company.

Ancillary
powers

8. As ancillary and incidental to the objects of the company as set forth in sections 5 and 6 and subject to the provisions of this Act, the company shall have and may exercise any or all of the powers set forth in section 19 of *The Companies Act*.

Apportion-
ment of net
earnings

9. The directors, after paying expenses and making proper allowance for depreciation, shall apportion the net earnings of the yearly business of the company as follows:

- (a) by setting aside not less than ten per cent of the net earnings for a reserve fund and so from year to year until the reserve fund is equal to at least twenty-five per cent of the paid-up capital of the company, which shall be held as a reserve against bad loans or losses and shall not be used for any other purpose except on liquidation; provided that the directors may establish such other reserve funds as they may deem necessary or advisable;

- (b) by paying interest on the paid-up capital at such rate as may be prescribed from time to time by by-law;
- (c) such further portion of the net earnings in any year as the company may distribute in accordance with its by-laws shall be distributed among the shareholders of the company in proportion to the interest earned by the company from such shareholders during such years.

Payment
for shares

10. The shares of the company may be payable by instalments at such times and in such manner as may be determined by by-law.

Company's
lien to
secure debts

11. The company shall have a lien on the shares held by its shareholders, interest payable thereon, if any, allocated earnings of shareholders, deposits of shareholders with the company and interest payable on such deposits, if any, for debts due from them to the company and may apply any sum credited to a shareholder in or towards payment of such debts.

Restrictions
on loans

12. The company shall make loans only to its shareholders or members of shareholders of the company.

Note
banking

13. Nothing in this Act shall be construed to authorize the company to issue any note payable to bearer or any promissory note intended to be circulated as money or as the note of a bank.

Security

14. Every person appointed to any office touching the receipt, management or expenditure of money for the purpose of the company, shall, before entering upon the duties of his office and while holding office, give such security as is deemed sufficient by the directors, which security may be varied in amount or renewed from time to time.

By-laws

15. The company may, at any annual meeting or at any special general meeting called for the purpose, enact all necessary by-laws not contrary to law or to the provisions of this Act as may be deemed necessary or advisable, and such by-laws may be added to, amended or repealed and other substituted therefor at any meeting of the delegates of the shareholders, subject to the provisions thereof; provided that any enactment, amendment, repeal or substitution shall be made by a majority of not less than two-thirds of the delegates present at such meeting, who being entitled so to do, vote thereon; provided that written notice as shall be prescribed by by-law, of the proposed enactment, repeal or substitution must be forwarded to each shareholder with the notice of the meeting at which such enactment, amendment, repeal or substitution is to be considered.

Liability
limited

16. The liability of the shareholders is limited.

Securities Act not to apply

17. *The Securities Act, 1955*, shall not apply to the shares of the company.

Part X of The Companies Act to apply respecting dissolution or winding up

18. The company shall be subject to the provisions of Part X of *The Companies Act* in respect of dissolution or winding up of the company.

Appointment of auditors

19. (1) The company shall at each annual meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(2) The appointment of any auditor or auditors shall be effective only upon the approval of the Supervisor of Credit Unions.

(3) If an appointment of auditor or auditors is not made at an annual general meeting, the Supervisor of Credit Unions, may, on the application of a shareholder of the company, appoint an auditor or auditors of the company for the current year and fix the remuneration to be paid him or them by the company for such services.

Inspection

20. (1) The affairs of the company shall be examined by or under the direction of the Supervisor of Credit Unions, from time to time as he may require; and the company shall produce all books, documents and other papers required by the person conducting the examination.

(2) If on examination the supervisor is not satisfied with the conduct of the affairs of the company, he shall have power to call a special general meeting of the shareholders and place before them the result of his examination.

Filing of by-laws

21. The company shall file copies of all by-laws with the Supervisor of Credit Unions, and shall file with the Supervisor all such returns and furnish such information as may be required by the Supervisor.

Fees

22. The company shall forthwith pay a registration fee in the sum of ten dollars to the Registrar of Joint Stock Companies and thenceforth all by-laws, amendments, returns and any other documents required to be filed, shall be filed in the first instance with the Supervisor of Credit Unions and shall be accompanied by a deposit of the fees payable to the Registrar of Joint Stock Companies as follows:

Table of Fees to be Paid to the
Registrar of Joint Stock Companies
Under this Act

Application for registration and filing original by-laws	\$10.00
Each search25
Every cancellation of registry	2.50
Filing amended by-laws or rules	1.00

Dissolution
of Original
Credit
Union

23. The Original Credit Union incorporated as Alberta Central Credit Union Limited under *The Credit Union Act* is hereby dissolved.

Short title

24. This Act may be cited as “*The Alberta Central Credit Union Limited Act*”.

No. 15

FIFTH SESSION
FOURTEENTH LEGISLATURE
11 ELIZABETH II
1963

BILL

An Act to Incorporate Alberta
Central Credit Union Limited

Received and read the

First time

Second time

Third Time

MR. RUSTE
