1968 Bill 95

First Session, 16th Legislature, 17 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 95

An Act to amend The Trust Companies Act

THE ATTORNEY GENERAL

First Reading .....

Second Reading .....

Third Reading .....

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BILL 95

1968

An Act to amend The Trust Companies Act, 1967

(Assented to , 1968)

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

1. *The Trust Companies Act, 1967* is hereby amended.

2. Section 2, clause 23 is amended by adding at the end thereof the words "or an order of the Lieutenant Governor in Council under section 135 for the amalgamation of two or more provincial companies".

3. Section 18, subsection (2) is amended by striking out the words "One-tenth part in value of the shareholders of the company" and by substituting the words "Shareholders holding at least 10 per cent of the number of issued common shares of a company".

4. Section 23, subsection (5) is amended by adding after the words "clause (*c*) of" the words "subsection (1) of".

5. Section 49 is struck out and the following is substituted:

49. (1) Where all of the common shares of a company have a par value, the directors may by by-law provide for

(*a*) the increase of the capital stock of the company and the number and par value of the shares of the stock so increased, if at the time the by-law is passed all of the capital stock has been subscribed and at least 90 per cent thereof is paid in, or

(*b*) the conversion of partly paid shares into fully paid shares or the alteration of the par value of its shares, or

(*c*) the subdivision of its shares into shares of lesser par value than its existing shares if, by that subdivision, the proportion between the amount paid in and the amount, if any, remaining unpaid on each reduced share is the same as it was in the case of the share from which the reduced share is derived, or

Explanatory Notes

1. This Bill amends chapter 87 of the Statutes of Alberta, 1967.

2. Section 2, clause 23 presently reads:

> 2. (1) In this Act,
> .....
> 23. "special Act" means an Act of the Legislature of Alberta to incorporate a trust company;
> .....

See clause 17 of this Bill which provides for amalgamations by an order of the Lieutenant Governor in Council. The amalgamation order will have the effect of replacing the special Act of a trust company that is amalgamated with another.

3. Section 18 (2) presently reads:

> (2) **One-tenth part in value of the shareholders of the company** are, by requisition delivered to the manager, acting manager or secretary of the company, at all times entitled to have a special general meeting called by that officer for the transaction of any business specified in the requisition.

The amendment is made as a consequence of the proposed section 47a to be enacted by clause 5 of this Bill which will permit the company to issue shares without par value. The words "One-tenth part in value" are difficult to apply to shares without par value because of the possibility that those shares may not all be issued for the same price. The substituted words can apply equally to par value shares and to shares without par value. The number of shares held, rather than their value, will be the determining factor as to whether or not the requisitioners are entitled to have a special general meeting called.

4. Corrects a typographical omission.

5. Section 49 presently reads:

> 49. (1) The directors of a company may, at any time after all of the capital stock of the company has been subscribed and at least 90 per cent thereof paid in, by by-law provide for the increase of the capital stock of the company.
>
> (2) The by-law shall declare the number and par value of the shares of the stock so increased and provide for the manner in which they are to be allotted, or the rule or rules by which the allotment is to be made.
>
> (3) The directors may pass a by-law providing upon terms therein stated for the conversion of partly paid shares into fully paid shares or for subdividing shares or altering the par value of shares of its capital stock.
>
> (4) The liability of shareholders to persons who, at the time the stock or shares are so increased, converted or altered, are creditors of the company remains as though the stock or shares had not been increased, converted or altered.
>
> (5) Where it is proposed to pass a by-law under this section that will have the effect of increasing the capital stock of the company or altering the liability of any holder of that stock, a copy of the proposed by-law shall be delivered to the Director and the by-law shall not be passed for at least six weeks thereafter.
>
> (6) Before submission of any such by-law to a meeting of shareholders, as provided in subsection (7), such notice shall be given by publication and otherwise as the Director directs.
>
> (7) A by-law under this section is invalid unless
>
> (a) it is approved by a vote of the shareholders at a special general meeting of the shareholders called for that purpose and the shares voted in favour of the approval represent at least two-thirds of the subscribed and issued capital stock of the company, and
>
> (b) it is afterwards approved by the Lieutenant Governor in Council.
>
> (8) Nothing in this section shall be construed to prevent the Lieutenant Governor in Council from refusing to approve a by-law under this section.

(*d*) the conversion of all of its issued and unissued common shares having a par value into common shares without par value, in the manner and upon the terms and conditions prescribed in the by-law, if the by-law also prescribes the maximum aggregate price for which the shares without par value may be issued.

(2) Where all of the common shares of a company are without par value, the directors may by by-law provide for

(*a*) the increase of the maximum aggregate price for which the shares may be issued, or

(*b*) the increase of its share capital by the creation of such additional number of shares without par value as the directors consider expedient, if at least 90 per cent of the common shares are issued at the time the by-law is passed, or

(*c*) the subdivision of its shares upon the terms and conditions prescribed in the by-law, or

(*d*) the cancellation of shares that, at the date of the passing of the by-law, have not been subscribed for or issued or have been agreed to be subscribed for by any person, and the decrease of its share capital by the number of shares cancelled, or

(*e*) the conversion of all of its issued and unissued common shares into common shares with par value, in such manner and upon such terms and conditions as the by-law prescribes.

(3) Common shares of a company without par value

(*a*) may be issued from time to time for such price as is fixed by the directors acting in good faith and in the best interests of the company,

(*b*) shall not be issued for any consideration other than cash, and

(*c*) shall not be issued unless the shares are fully paid at the time of their issue.

(4) Where the directors propose to pass a by-law under this section, a copy of the proposed by-law shall be given to the Director and the by-law shall not be passed for at least 30 days thereafter or such shorter period as the Director prescribes.

(5) Before the submission of a by-law under this section to a meeting of the shareholders, as provided in subsection (6), the company shall, if required by the Director to do so, give notice by publication or otherwise as the Director prescribes of the by-law and the date and place of the meeting of the shareholders at which it is to be submitted.

(6) A by-law under this section is invalid unless

(*a*) it is approved by a vote of the shareholders at a special general meeting called for that purpose and the shares voted in favour of the approval repre-

The section is rewritten primarily for the purpose of introducing the provisions for enabling Alberta trust companies to convert their par value shares to shares without par value ("no par value shares"). Historically, the laws of Alberta have permitted trust companies to have par value shares only. By permitting conversion to no par value shares, it is intended that there be greater flexibility in the raising of equity capital where market conditions make the sale of par value shares less attractive to investors. The following is a brief explanation of each subsection:

(1) This is the equivalent of the present subsections (1), (2) and (3) but with the addition, in clause (d), of the power to convert to no par value shares.

(2) This is new as it deals with capital reorganization where the company has converted to no par value shares. This provides for the same flexibility in reorganization as in the case of a company with par shares. The subsection is based largely on similar reorganization provisions in The Companies Act.

(3) No par value shares may be issued from time to time at the price fixed for the shares by the directors. The shares can thus be sold at their current market price. The shares must however be sold for cash only and must be paid for in full at the time of issue.

(4) This is the equivalent of the present subsection (5) except that the maximum waiting period is reduced from six weeks to 30 days. The Director may also reduce the waiting period.

(5) This is the equivalent to the present subsection (6).

(6) A by-law under subsection (1) or (2) is subject to approval by the shareholders and the Lieutenant Governor in Council. This is the same as the present subsection (7).

(7) Same as the present subsection (8).

(8) This will also permit the incorporation of a trust company having shares without par value.

(9) The Act was written with only par value shares in mind, and with the introduction of no par value shares, certain expressions in the Act would be difficult to interpret when applied to a trust company having no par value shares. Subsection (9) is intended to give a particular definition to those terms in their application to companies having no par value shares.

sent at least two-thirds of the subscribed and issued capital stock of the company, and

(*b*) it is afterwards approved by the Lieutenant Governor in Council.

(7) Nothing in this section shall be construed to prevent the Lieutenant Governor in Council from refusing to approve a by-law under this section.

(8) Notwithstanding section 4 of the Model Act in Form 1 in the Schedule, a special Act may provide that all shares of a company are shares without par value, and in that case, the special Act shall also prescribe the maximum aggregate price for which the shares may be issued.

(9) In this Act,

(*a*) "paid in capital stock", as applied to a company having common shares without par value, means the amount paid in on the common shares of the company;

(*b*) "shares of the capital stock of the company", or any similar expression, includes common shares of the company without par value;

(*c*) "subscribed and issued capital stock of the company" or "issued capital stock", as applied to a company having common shares without par value, means the number of the issued common shares of the company.

6. Section 92 is amended by adding after clause (*g*) the following:

(*g*1) deposit any money in its hands in chartered banks or treasury branches,

7. Section 104 is amended by striking out subsection (4) and by substituting the following:

(4) For the purposes of this Division, the assets comprising a company's guaranteed fund shall be valued in accordance with the regulations, and such values shall be determined as of the last business day of the company in each month.

8. Section 108, subsection (1), clause (*b*) is amended by striking out the words "and shares" and by substituting the words ", shares and units".

9. Section 110 is struck out and the following is substituted:

110. Where a company makes or has made a loan authorized by this Division, it may take personal property as security for the loan if

(*a*) the loan is made pursuant to subsection (3) of section 111, or

6. Section 92 enumerates the general powers of an Alberta trust company. The new clause (g1) will give express power to a company to deposit moneys in a bank or treasury branch, a power that presently can only be inferred or implied from other provisions of the Act.

7. Section 104 (4) presently reads:

> (4) For the purposes of this Division,
>
> (a) securities, as defined in section 108, forming part of a company's guaranteed fund shall be valued at their market value, and
>
> (b) all other assets forming part of a company's guaranteed fund shall be valued at their book value,
>
> and such values shall be determined as of the last business day of the company in each month.

The method of valuation of assets in the "guaranteed fund" (the assets set aside to cover liabilities to depositors and investment certificate holders) will be set out in detail in the regulations in a manner consistent with valuation methods used in connection with annual statements to the Director.

The Act presently permits the regulations to prescribe the methods of valuation for annual statements and it is intended that they will provide uniform valuation rules for all purposes, including the "guaranteed fund".

8. Section 108 (1) (b) presently reads:

> 108. (1) In this Division,
>
> .....
>
> (b) "securities" means any bonds, debentures, notes, evidences of indebtedness, obligations, certificates, investment certificates, investment contracts, receipts **and shares** referred to in section 111.

Clause 10 of this Bill amends section 111 (1) to allow investment in mutual fund "units". The word "units" is added to the definition of "securities" to make it complete.

9. Section 110 presently reads:

> 110. Where a company makes or has made a loan authorized by this Division, it may take any personal property as security but only in addition to the other security required in respect of the loan.

The section is rewritten to include clause (a) which will remove any conflict with the proposed section 111 (3) to be added by clause 10 (b) of this Bill.

(*b*) the personal property is in addition to the other security required by this Division in respect of the loan.

10. Section 111 is amended

(a) as to subsection (1)

(i) by adding after clause (*a*) the following clause:

(*a*1) bonds, debentures or preferred shares issued by a corporation incorporated in the United States of America and that are convertible to common shares of the corporation, if at the time of the investment or loan the common shares of that corportion are authorized investments under clause (*g*),

(ii) by striking out the word "and" at the end of clause (*f*), and by adding after clause (*g*) the following:

(*h*) mutual fund shares of a corporation incorporated in Canada or the United States of America that, during the period of five years that ended less than one year before the date of the investment or loan, earned profits in each such year of at least 4 per cent of the average value at which the shares were carried in the books of the corporation during each such year, whether a dividend was or was not paid in any such year, and

(*i*) shares or units in a mutual fund or investment fund managed by a corporation incorporated in Canada or the United States of America if, during the period of five years that ended less than one year before the date of the investment or loan, the fund earned profits in each such year of at least 4 per cent of the average value at which the shares or units were carried in the books of the corporation during each such year, whether a dividend was or was not paid in any such year.

(b) by adding the following subsection after subsection (2):

(3) A company may loan the company's own funds and its deposits and investment moneys without the taking by the company of security otherwise required by this Division but

(*a*) loans under this subsection shall not exceed in the aggregate an amount equal to 7 per cent of the company's own funds and its deposits and investment moneys or such lesser amount

10. (a) Section 111 (1) enumerates the securities in which an Alberta trust company may invest in or accept as security for a loan. The new clause (a1) will add to the list U.S. bonds and preferred shares that are convertible to common shares, but only if the common shares themselves are qualified as authorized investments.

The new clauses (h) and (i) add mutual fund shares and units which must be qualified on the basis of the rules applying to common shares, i.e., a dividend record of at least 4 per cent for at least five years. Clause (h) deals with shares of a mutual fund company which are equity shares of the company. Clause (i) deals with units or "shares" in an investment fund set up by a trust deed.

(b) The new subsection (3) will permit the making of loans without security or without the security otherwise required for loans. In effect, Alberta trust companies are being given limited powers to enter into the "personal" or "consumer" loan field, particularly for the benefit of their established customers who would otherwise have to seek loans of this type from other financial institutions. The provision is intended to put the trust companies in a better competitive position in this field.

as the Director may prescribe for the company, and

(*b*) the outstanding amount of loans under this subsection to any one person shall not at any time exceed the amount prescribed by the Director for the company.

11. The following section is added after section 113:

113*a*. A company may make an investment or loan under section 112 or clause (*a*) or (*c*) of subsection (2) of section 113 jointly with any other registered trust company, subject to the approval of the Director and to any conditions prescribed by the Director.

12. Section 114, subsection (2) is amended by adding at the end thereof the words "or in respect of notes or deposit receipts of chartered banks or treasury branches".

13. Section 115 is amended

(a) as to subsection (1) by adding at the end thereof the words "or notes or deposit receipts of chartered banks",

(b) by adding the following subsection after subsection (3):

(4) The aggregate amount of the outstanding indebtedness to a company of any one individual or group of two or more individuals under mortgages held by the company and loans made by the company shall not exceed 15 per cent of the company's unimpaired paid-up capital and reserve.

11. Sections 112 and 113 empower an Alberta trust company to invest in or lend on the security of first mortgages of improved real estate or NHA mortgages. The new section 113a will permit a company to do so jointly with another registered trust company subject to the Director's approval.

12. Section 114 presently reads:

> 114. (1) Subject to section 115, the amount of a company's investments and loans in or upon any one security or mortgage shall not exceed 15 per cent of the company's unimpaired paid-up capital and reserve.
>
> (2) This section does not apply in respect of a security issued or guaranteed by the Government of Canada or the government of any province of Canada.

In periods when the markets for stocks and bonds are depressed, it is advantageous for the trust company to invest in short-term notes or deposit receipts of banks or treasury branches until the market improves. The effect of the amendment is to exclude these notes and deposit receipts from the rule in section 114 (1) that the total investment by a company in one type of security cannot exceed 15 per cent of unimpaired capital and reserve.

A similar change is made in section 115: See clause 13 of this Bill.

13. Section 115 presently reads:

> 115. (1) In this section "debt securities", with reference to a corporation, means
>
> (a) bonds, debentures, notes, obligations or other evidences of indebtedness issued by the corporation, and
>
> (b) mortgages under which the corporation is the mortgagor,
>
> but does not include a security issued by a corporation and guaranteed by the Government of Canada or the government of a province of Canada.
>
> (2) Subject to subsection (3), the market value of
>
> (a) all debt securities, regardless of maturity date, of any one corporation or of any corporations that to the knowledge of the company are associated, and
>
> (b) the common and preferred shares of that corporation or those associated corporations,
>
> held by a company as an investment or as security for a loan, shall not exceed the aggregate of
>
> (c) 20 per cent of the company's paid in capital stock and reserve, and
>
> (d) 5 per cent of the company's deposits and investment moneys.
>
> (3) The market value of
>
> (a) all debt securities maturing in more than one year of any one corporation or of any corporations that to the knowledge of the company are associated, and
>
> (b) the common and preferred shares of that corporation or those associated corporations,
>
> held by the company as an investment or as security for a loan shall not exceed 15 per cent of the company's paid in capital stock and reserve.

(a) The amendment is made for the reasons given in the note to clause 12 of this Bill. The exclusion of notes and deposit receipts of chartered banks from the definition of "debt securities" will have the effect of freeing bank notes and deposit receipts from the restrictions in subsections (2) and (3). (Section 115 only applies to debt securities of corporations and so the restrictions do not affect investment in notes or deposit receipts of treasury branches, which are not corporations.) Section 115 is aimed at diversification of investments by limiting the amount that may be invested in the shares and debt securities of any one corporation.

(b) Sections 115 and 116 presently prescribe limits as to the total amount of a trust company's investment in any one corporation or group of associated corporations. However, there is no equivalent limit as to the total amount of loans by a trust company to any one individual or group of individuals. The new subsection (4) is intended to overcome this omission.

14. Section 120, subsection (3), clause (*c*) is amended by striking out the word "lease" and by substituting the words "option to lease".

15. Section 121 is amended

(a) as to subsection (1), by adding the word "improved" before the words "real estate for the production of income,",

(b) as to subsection (4), clause (*b*) by striking out the word "lease" and by substituting the words "option to lease".

16. Section 122, subsection (5), clause (*c*) is amended by striking out the word "lease" and by substituting the words "option to lease".

17. Section 135 is struck out and the following sections are substituted:

135. (1) Any two or more provincial companies may, in accordance with this section, amalgamate and continue as one provincial company.

(2) The companies proposing to amalgamate may enter into an amalgamation agreement, which shall prescribe the terms and conditions of the amalgamation and the mode of carrying the amalgamation into effect.

(3) The amalgamation agreement shall set out

(*a*) the name of the amalgamated company,

(*b*) the place within Alberta at which the head office of the amalgamated company is to be situated,

(*c*) the amount of the capital stock of the amalgamated company, the division thereof into shares and the par value of the shares, or the number of shares without par value, as the case may be,

(*d*) the names, occupations and places of residence of the first directors of the amalgamated company,

(*e*) the by-laws of the amalgamated company or that the by-laws of one of the amalgamating companies are to be adopted as the by-laws of the amalgamated company,

(*f*) the manner of converting the issued and unissued shares of each of the amalgamating companies into shares of the amalgamated company, and

(*g*) such other details as may be necessary to perfect the amalgamation and to provide for the subsequent management and working of the amalgamated company.

(4) The amalgamation agreement shall be submitted to the shareholders of each of the amalgamating companies at special general meetings thereof called for the purpose of considering the adoption of the agreement and if at

14. Section 120 (3) (c) presently reads:

(3) A company shall not make any investment or loan in or upon a mortgage under section 112 or 113 where the title to the real estate concerned is subject to

.....

(c) any agreement for sale or option to purchase or **lease.**

This amendment effects a grammatical clarification only. It is made to avoid any possibility that the words "option to purchase or lease" could be interpreted as meaning "an option to purchase or a lease". The same change is being made to section 121 (4) (b) and section 122 (5) (c). See clauses 14 (b) and 15 of this Bill.

15. Section 121 (1) and (4) presently read in part:

121. (1) Subject to subsections (3) and (4), a company may invest its own funds and its deposits and investment moneys in real estate for the production of income, either alone or jointly with any other registered trust company,

.....

(4) A company shall not make any investment under this section in respect of real estate the title to which is subject to

.....

(b) any agreement for sale or option to purchase or lease.

The amendment in subsection (1) corrects a drafting omission so that the power of investment will relate to "improved real estate", a term defined in section 2. The change removes any possibility of an investment under this section in unimproved land. As to the change in subsection (4) (b), see the note to clause 11 of this Bill.

16. Section 122 (5) (c) presently reads:

(5) A company shall not purchase any real estate under this section where the title to the real estate is subject to

.....

(c) any agreement for sale or option to purchase or **lease.**

See the note to clause 14 of this Bill.

17. Section 135 presently reads:

135. A provincial company shall not amalgamate with another provincial company or with an extra-provincial company except under the authority of an Act of the Legislature.

At present an amalgamation can only be achieved by statute. The new section will permit amalgamations of two or more provincial trust companies by an order in council. The procedure leading up to the order is very similar to section 140a of The Companies Act, which deals with amalgamations of registered Alberta companies.

Section 135a will still require a special Act where an Alberta trust company wishes to amalgamate with an extra-provincial trust company.

each meeting the shares voted in favour of adopting the amalgamation agreement represent at least two-thirds of the subscribed and issued capital stock of the company,

(*a*) the secretary of each of the amalgamating companies shall certify that fact under the corporate seal thereof, and

(*b*) the amalgamation agreement shall be deemed to have been adopted by each of the amalgamating companies.

(5) Where the amalgamation agreement is deemed to have been adopted, the amalgamating companies may apply to the Supreme Court by way of petition for an order approving the amalgamation agreement.

(6) Unless the Supreme Court otherwise directs, each amalgamating company shall notify each of its dissentient shareholders, in such manner as the Court may direct, of the time and place when the petition for the approving order will be made.

(7) Unless the Supreme Court otherwise directs, notice of the time and place of the hearing of the petition for the approving order shall be given to the creditors of an amalgamating company in such manner as the Court may direct.

(8) Upon the application, the Supreme Court shall hear and determine the matter and may approve the amalgamation agreement as presented or may approve it subject to compliance with such terms and conditions as it thinks fit, having regard to the rights and interests of all parties including the dissentient shareholders and creditors.

(9) The amalgamation agreement and a certified copy of the approving order shall be filed with the Director, together with proof of compliance with any terms and conditions that may have been imposed by the Supreme Court in the approving order.

(10) The Director

(*a*) after receiving the amalgamation agreement, a certified copy of the approving order and proof required by him pursuant to subsection (9), and

(*b*) after being satisfied that

(i) all appeals taken by any person who opposed the petition for the approving order have been concluded and that the approving order has been upheld on the appeal, or

(ii) the time for commencing an appeal from the approving order has expired without an appeal having been commenced, or

(iii) all persons having the right to appeal from the approving order have indicated to him in writing of their intention not to appeal,

shall make a report to that effect to the Minister.

(11) After the Minister has received the Director's report, the Lieutenant Governor in Council, on the recommendation of the Minister, may make an order for the amalgamation of the amalgamating companies, the body of which shall be in Form 2 in the Schedule.

(12) *The Regulations Act* applies to an order of the Lieutenant Governor in Council under subsection (11).

(13) On and from the effective date of the order of the Lieutenant Governor in Council under subsection (11)

(*a*) the amalgamating companies are amalgamated and continued as one company,

(*b*) the amalgamated company possesses all the property, rights and privileges and is subject to all the liabilities, contracts and debts of each of the amalgamating companies,

(*c*) the registration of any of the amalgamating companies under *The Companies Act* shall be deemed to be cancelled, where any or all of the amalgamating companies were incorporated under the Companies Ordinance before April 13, 1918,

(*d*) where any or all of the amalgamating companies are incorporated by special Act, the special Act or Acts cease to be in force, and

(*e*) the by-laws of the amalgamated company shall be the by-laws provided for in the amalgamation agreement or the by-laws of an amalgamating company adopted by the amalgamation agreement, as the case may be.

(14) On and from the effective date of the order of the Lieutenant Governor in Council under subsection (11)

(*a*) an instrument naming or appointing an amalgamating company in a trust or representative capacity shall be read, construed and enforced as if the amalgamated company was so named or appointed therein, and the amalgamated company has, in respect of the instrument, the same rights, obligations and status as the amalgamating company had,

(*b*) all trusts of every kind and description, including incomplete or inchoate trusts, and every duty assumed by or binding upon each of the amalgamating companies are vested in and bind and may be enforced against the amalgamated company as fully and effectively as if it had been originally named or appointed in a trust or representative capacity in the instrument creating the trust, and

(*c*) where an amalgamating company is referred to in a document registered, filed, lodged or deposited by or with a registrar and being uncancelled or undischarged as of the effective date of the order, the document shall thereafter be dealt with by the registrar as though the document named the

amalgamated company instead of the amalgamating company, without the necessity of filing a copy of the order or any other document, or of making any entry in the registrar's records or of paying any fees to the registrar.

(15) In subsection (14),

(*a*) "instrument" includes

(i) any will, codicil or other document having effect on the death of any person,

(ii) a settlement, trust deed or any other document creating a trust,

(iii) an agreement, transfer, assignment, mortgage, encumbrance, charge or certificate of title, or certificate of registration,

(iv) letters probate, letters of administration of any kind, a judgment, order, direction or appointment of any court, judge or other constituted authority,

(v) any pleading, notice or document in an action or other proceeding in a court, and

(vi) any document registered, filed, lodged or deposited by or with a registrar,

and

(*b*) "registrar" means a Registrar of Titles under *The Land Titles Act*, the registrar of the Central Registry, the registration clerk of the Motor Vehicle Branch of the Department of Highways, a mining recorder, a Minister of the Crown, a clerk of the court or the chief officer of any registry established by or pursuant to an Act of the Legislature.

135*a*. A provincial company shall not amalgamate with an extra-provincial company except under the authority of an Act of the Legislature.

18. The following section is added after section 149:

149*a*. (1) Where a registered extra-provincial company is amalgamated with one or more other extra-provincial companies, whether registered or not, the amalgamated company may apply to the Director to have a true copy of its instrument of amalgamation filed with him.

(2) The Director may require, as a condition of the filing of the instrument of amalgamation, that the amalgamated company furnish to him copies of the amalgamation agreement, the by-laws of the amalgamated company, the amalgamated company's most recent financial statement and any other statements pertaining to the financial condition and affairs of the amalgamated company.

(3) Upon filing an instrument of amalgamation under this section, the Director shall register the amalgamated

18. Sections 149 to 152 of the Act deal with the registration of extra-provincial trust companies. The new section 149a will provide express authority for the filing of an instrument of amalgamation of two or more extra-provincial trust companies and registration of the amalgamated company. This will overcome a possible interpretation of these provisions which would require the amalgamated company to make a new application for registration.

Sections 150 and 152 of the Act (referred to in subsection (4) of the new section 149a) deal respectively with the requirement to file the power of attorney appointing the company's official agent in Alberta and the powers of the Director to make registration of an extra-provincial company subject to conditions.

Section 135 (14) and (15) are referred to in subsection (5) of the new section and are found in clause 22 of this Bill. Those provisions have the effect of substituting an amalgamated provincial trust company for any amalgamating company named in a will, trust instrument, court order, etc. Subsection (5) will make these provisions applicable to the case of an amalgamated extra-provincial trust company. In the past, the amalgamated company has petitioned for a special Act along the lines of section 135 (14) and subsection (5) of the new section 149a is aimed at making such petitions largely unnecessary.

company and shall cancel the registration of the amalgamating company or companies previously registered and may specify in the register that the entries are effective as of the effective date of the instrument of amalgamation filed with him.

(4) Sections 150 and 152 apply to the same extent as though the application to file the instrument of amalgamation were an application by the amalgamated company for registration.

(5) Upon the registration of an amalgamated company under this section, subsections (14) and (15) of section 135 apply to the same extent as though the amalgamating companies had been amalgamated and continued as one company pursuant to section 135 and as though the certificate of registration issued by the Director were an order in council under subsection (11) of section 135.

19. The Schedule is amended

(a) by adding the heading "FORM 1" above the form of Model Act,

(b) by adding the following at the end thereof:

FORM 2

(Section 135)

ORDER AMALGAMATING PROVINCIAL TRUST COMPANIES

1. This order may be cited as "The (*name of amalgamated company*) Amalgamation Order".

2. (*Names of amalgamating companies*) are hereby amalgamated and continued as one company with the name "The (*name of amalgamated company*)", hereinafter called "the company".

3. The capital stock of the company shall be $....., divided into ..... shares of $..... each.

(NOTE: This section may be varied to meet the circumstances where the company's shares are to be without par value.)

4. The head office of the company shall be in the..... of ..... in the Province of Alberta.

5. The company has all the powers, privileges and immunities conferred by, and is subject to the limitations and provisions of *The Trust Companies Act, 1967*.

6. This order comes into force on the.....day of ....., 19....

20. This Act comes into force on May 1, 1968.

19. This adds the form of amalgamation order referred to in the new section 135 (11): See clause 6 of this Bill.