

1980 BILL 49

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Second Session, 19th Legislature, 29 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 49**

**THE TRUST COMPANIES AMENDMENT ACT, 1980**

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MR. PAHL

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First Reading . . . . .

Second Reading . . . . .

Committee of the Whole . . . . .

Third Reading . . . . .

Royal Assent . . . . .

*Bill 49*  
*Mr. Pahl*

## **BILL 49**

1980

### **THE TRUST COMPANIES AMENDMENT ACT, 1980**

*(Assented to , 1980)*

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

*1 The Trust Companies Act is amended by this Act.*

*2 Section 2(1), clause 26, is amended by striking out  
“provincial”.*

*3 Section 65 is repealed.*

## **Explanatory Notes**

**1** This Bill will amend chapter 372 of the Revised Statutes of Alberta 1970.

**2** Section 2(1), clause 26, presently reads:

*2(1) In this Act*

*26. "special Act" means an Act of the Legislature of Alberta to incorporate a trust company or an order of the Lieutenant Governor in Council under section 139 for the amalgamation of two or more provincial companies;*

**3** Section 65 presently reads:

*65(1) The directors of a company*

*(a) shall refuse to allow the recording in the share transfer register of the company a transfer of a share of the capital stock of the company to another trust company or to an ancillary corporation of the company, and*

*(b) shall not issue, or allow the issue of, any shares of the capital stock of the company to another trust company or to an ancillary corporation of the company.*

*(2) Any issue or recording in the share transfer register of the company made in contravention of subsection (1) is void and where a contravention of subsection (1) has occurred the company shall take any action necessary to cancel the entries made in the share transfer register and the shareholder's register as a result of the contravention.*

*(3) A transfer of a share of the capital stock of a provincial company to another trust company or to an ancillary corporation of the company is void.*

*(4) Every director of a company who knowingly authorizes or permits a contravention of subsection (1) is guilty of an offence and liable on summary conviction to a fine of not more than \$5,000 or to imprisonment for a term of not more than one year or to both such fine and imprisonment.*

4 *Section 123(1)(a) and (b) is repealed.*

5 *Section 136 is amended*

*(a) in subsection (1) by adding “, other than one exempted by regulation,” after “\$500 000”, and*

*(b) in subsection (1.1) by adding “, other than one exempted by regulation,” after “\$500 000”.*

6 *The following is added immediately preceding section 139:*

**138.1** A provincial company shall not amalgamate with another company except as authorized under this Act.

**138.2(1)** In accordance with section 139,

(a) 2 or more provincial companies may amalgamate and continue as one provincial company, or

(b) one or more provincial companies may, subject to section 139(2), amalgamate with one or more extra-provincial companies and continue as one provincial company.

(2) With the approval of the Minister, one or more provincial companies may under the laws of another jurisdiction

(5) *This section does not apply*

*(a) to a transfer of shares of the company to another trust company as a result of the purchase of those shares pursuant to section 141 or 142, or*

*(b) to the issue of shares of the company pursuant to section 112, subsection (2.1), clause (c).*

**4** Section 123(1)(a) and (b) presently reads:

*123(1) No company shall make investments or loans in or upon the security of*

*(a) preferred shares or common shares issued by another trust company, or*

*(b) preferred shares or common shares of its own capital stock, or*

**5** Section 136 presently reads in part:

*136(1) A person applying for a loan of an amount not exceeding \$500 000 from a registered provincial company or registered extra-provincial company shall, at the time of making the application, be advised in writing by the company, on the application form or otherwise, of the approximate amount of any legal fees and disbursements and any appraisal and inspection fees.*

*(1.1) A registered provincial company or registered extra-provincial company that proposes to make a loan of an amount not exceeding \$500 000 shall deliver to the borrower, at least 24 hours before the time the loan contract is signed by the borrower, a statement showing the information prescribed by the regulations if*

*(a) the amount to be advanced to the borrower is less than the principal amount repayable under the loan, or*

*(b) the principal amount repayable under the loan will include any fees, charges, commissions or expenses whether payable to the company or to any other person, other than legal fees and disbursements and appraisal and inspection fees.*

**6** Amalgamation to take place under the Act.

amalgamate with one or more extra-provincial companies for the purpose of continuing as one extra-provincial company.

*7 Section 139(1) and (2) is repealed and the following is substituted:*

**139(1)** The companies proposing to amalgamate and continue as one provincial company shall, subject to subsection (2), enter into an amalgamation agreement prescribing the terms and conditions of the amalgamation and the mode of carrying the amalgamation into effect.

(2) A provincial company shall not enter into an amalgamation agreement with an extra-provincial company under this section unless authorized to do so by the Minister.

*8 Section 140 is repealed.*

*9 Section 145 is amended by adding the following after clause (e):*

(e.1) exempting loans or classes of loans from all or part of section 136;

(e.2) governing the making of investments or loans by a trust company in or upon the security of preferred or common shares

(i) issued by another trust company, or

(ii) of its own capital stock;

*10 Section 149 is amended by repealing subsection (1)(b) and substituting the following:*

(b) is known by the Director to be the same as the name of an existing corporation, or

(b.1) is known by the Director to be the same as the name of a dissolved corporation unless the Director otherwise approves, or

*11 Section 156 is amended*

*(a) by repealing subsection (1) and substituting the following:*

**156(1)** Where one or more registered companies amalgamate with one or more extra-provincial compa-

**7** Section 139(1) and (2) presently reads:

*139(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.*

**8** Section 140 presently reads:

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

**9** Section 145 presently reads in part:

*145 The Lieutenant Governor in Council may make regulations*

*(e) prescribing the form of loan statement referred to in section 136 and the information to be shown in it;*

**10** Section 149(1) presently reads in part:

*149(1) A company, other than a federal company, shall not be registered if its name*

*(b) is known by the Director to be the same as the name of an existing corporation or a dissolved corporation, or*

**11** Section 156 presently reads in part:

*156(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.*

*(3) Upon filing an instrument of amalgamation under this section, the Director*

nies, whether registered or not, and become one extra-provincial company, the amalgamated company may apply to the Director to have a true copy of its instrument of amalgamation filed with him.

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

(3.1) If a company is incorporated by a special Act, that special Act ceases to be in force upon that company's registration being cancelled under subsection (3).

12 *The following is added after section 198:*

**198.1**(1) No person shall hold himself out as a trust company unless he is authorized to do so under this Act.

(2) Every person who contravenes subsection (1) is guilty of an offence and liable on summary conviction to a fine of not more than \$10 000.

13 *The Schedule is amended as to Form 2 by repealing the title and substituting the following:*

#### ORDER AMALGAMATING TRUST COMPANIES

14 *This Act comes into force on a date or dates to be fixed by Proclamation.*



*shall register the amalgamated 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.*

**12** Penalty for holding oneself out as a trust company.

**13** The title to Form 2 presently reads:

*ORDER AMALGAMATING PROVINCIAL TRUST COMPANIES*