

BILL

No. 30 of 1911.

An Act to Incorporate Western Canada Mortgage Corporation.

(Assented to 1911.)

1. Thomas Underwood, contractor; E. Hart Nichols, solicitor; H. P. Otty Savary, solicitor; Francois de Roussy de Sales, solicitor; Ward H. Patterson, student-at-law, all of the City of Calgary, in the Province of Alberta, and Hugh Melvin, of the City of Toronto, in the Province of Ontario, accountant, together with such other persons as become shareholders in the company are hereby incorporated under the name of "Western Canada Mortgage Corporation" herein called "the company."

2. The persons named in section 1 of this Act shall be the provisional directors of the company, a majority of whom shall constitute a quorum for the transaction of business; and they may forthwith open stock books, procure subscriptions of stock for the undertaking, make calls upon stock subscribed and receive payments thereon; and shall deposit in a chartered bank in Canada all moneys received by them on account of the stock so subscribed for, or otherwise received by them on account of the company, and may withdraw the same for the purposes of the company only; and may do generally what is necessary to organize the company.

3. The capital stock of the company shall be one million dollars and shall be divided into ten thousand shares of \$100 each.

4. The head office of the company shall be at the City of Calgary or at such other place in Alberta as the directors may from time to time determine by by-law.

5. As soon as one hundred thousand dollars of the capital stock of the company have been subscribed, and a sum of not less than twenty-five thousand dollars has been paid in calls thereon, the provisional directors shall call a general meeting of the shareholders of the company at some place to be named in the City of Calgary, at which meeting the shareholders shall elect not less than five nor more than fifteen directors, who shall hold office until their successors are elected, and upon the election of such directors the functions of the provisional directors shall cease.

(2) No person shall be a director unless he holds in his own name and for his own use at least twenty-five shares of the capital stock of the company, and has paid all calls due thereon and all liabilities incurred by him to the company.

6. The company may carry on the business of lending money on the security of or purchasing or investing in—

- (a) Mortgages or hypothecs upon freehold or leasehold real estate or other immoveables; and
- (b) The debentures, bonds, fully paid up stocks and other securities of any government or of any municipality,

school, corporation or of any chartered bank or incorporated company if incorporated by Canada or any province of Canada or any former province now forming part of Canada, but not including bills of exchange or promissory notes:

Provided that the loan upon the security of or the purchase of or the investment in the debentures, bonds, stocks or other securities of any company so incorporated shall not exceed one-fifth of the paid up capital of any such company nor one-fifth of the paid up capital stock of the company.

(2) The company may take personal security as collateral for an advance made or to be made or contracted to be made by or for any debt due to the company.

7. The company may act as an agency association for the interest and on behalf of others who entrust it with money for that purpose and may either in the name of the company or of such others lend and advance money to any person or municipal or other authority or any board or body of trustees or commissioners upon such securities as are mentioned in the next preceding section and may purchase and acquire any securities on which they are authorized to advance money and again resell the same.

(2) The conditions and terms of such loans and advances and of such purchases and resales may be enforced by the company for its benefit and for the benefit of the person or corporation for whom such money has been lent and advanced or such purchase and resale made and the company shall have the same power in respect of such loans, advances, purchases and sales as are conferred upon it in respect of loans, advances, purchases and sales made from its own capital.

(3) The company may also guarantee the repayment of the principal or the payment of the interest or both of any moneys entrusted to the company for investment.

(4) The company may for every or any of the foregoing purposes lay out and employ the capital and property for the time being of the company or any part of the moneys authorized to be raised by the company in addition to its capital for the time being or any moneys so entrusted to it as aforesaid; and may do, assent to and exercise all acts whatsoever which in the opinion of the directors of the company for the time being are requisite or expedient to be done in regard thereto.

(5) All moneys of which the repayment of the principal or payment of the interest is guaranteed by the company shall for the purposes of this Act be deemed to be money borrowed by the company.

8. The company may liquidate and carry on for the purposes of such liquidation the business of any other company or companies carrying on any business which the company is authorized to carry on upon such terms as may be agreed upon.

9. The company may subject to any limitation or prohibition imposed by its by-laws lend upon its own paid up stock to an amount not exceeding in the aggregate of all such loans ten per cent. of the company's paid up stock but no such loan shall exceed eighty per cent. of the current market value of such stock.

Personal
security

Agency
association

Enforce-
ment of
agreement

Guarantee
of moneys

Employment
of capital

Money
guaranteed
to be
deemed
borrowed

Liquidation
of other
companies

Loans upon
company's
stock

10. The company may borrow money and receive money ^{Moneys on deposit} on deposit upon such terms as to interest, security, time of payment and otherwise as may be agreed on and may issue its bonds, debentures and other securities for moneys borrowed:

Provided that the total of the company's liability to the ^{Liquidation of liability to the public} public outstanding from time to time shall not exceed four times the amount paid upon its capital stock; but the amount of cash on hand, or deposited in chartered banks, belonging to the company shall be deducted from such total liability for the purposes of this section:

Provided also that the amount held on deposit shall not at ^{Limitation on deposits} any time exceed the aggregate amount of the then actually paid up unimpaired capital, and of the cash actually in hand or deposited in any chartered bank in Canada or elsewhere belonging to the company.

(2) The loans or advances of the company to its share- ^{Deduction of loans} holders upon the security of their stock shall be deducted from the amount of the paid-up capital upon which the company is authorized to borrow.

(3) The liabilities of any company assumed by the company ^{Liabilities of other companies} shall form a part of the total liabilities of the company to the public for the purposes of this section.

11. The directors at any time after the whole of the capital ^{Increase of capital} stock of the company has been subscribed and fifty per cent. thereof paid up but not sooner may from time to time by by-law provide for the increase of the capital stock of the company to any amount which they consider requisite.

12. No by-law for increasing the capital stock of the com- ^{By-laws affecting capital to be sanctioned} pany shall have any force or effect unless and until it has been sanctioned by a vote of the shareholders present or represented by proxy at a general meeting of the company duly called for considering such by-law:

Provided that such shareholders shall hold not less than one-half of the amount paid up upon the capital stock of the company represented at such meeting:

And provided that such by-law has afterwards been confirmed by a certificate of the Provincial Treasurer.

13. Upon an application to the Provincial Treasurer for ^{Certificate of provincial treasurer} a certificate confirming such by-law the company shall satisfy him as to the *bona fide* character of the increase of capital thereby provided for; and unless it appears that the granting of such certificate would not be in the public interest the Provincial Treasurer may grant the same:

Provided that with the consent of the directors the amount of such increase of capital may by the said certificate be changed and the increase made subject to such conditions as the Provincial Treasurer may think proper.

14. The directors of the company may with the consent ^{Creation of debenture stock} of the shareholders at a special general meeting duly called for the purpose create and issue debenture stock in sterling or currency in such amounts and manner, on such terms as to redemption or payment thereof and otherwise and bearing such rate of interest as the directors from time to time think proper; but such debenture stock shall be treated and considered as part of the ordinary debenture debt of the company and such debenture stock shall rank equally with the ordinary debenture and deposit debt of the company and no greater rights or privileges shall be conferred upon holders of debenture

stock in respect thereof than are held or enjoyed by depositors or holders of ordinary debentures of the company.

15. The debenture stock aforesaid shall be entered by the company in a register to be kept for that purpose in the head office of the company wherein shall be set forth the names and addresses of those from time to time entitled thereto with the respective amounts of the said stock to which they are respectively entitled and the register shall be accessible for inspection and perusal at all reasonable times to every debenture holder, mortgagee, bondholder, debenture stockholder and shareholder of the company without the payment of any fee or charge; such stock shall be transferable in such amounts and in such manner as the directors may determine.

16. The holders of the ordinary debentures of the company may with the consent of the directors at any time exchange such debentures for debenture stock.

17. The directors having issued debenture stock may from time to time as they think fit for the interest of the company buy up and cancel the debenture stock or any portion thereof.

18. The directors may set aside out of the profits of the company such sum as they think proper as a reserve fund to meet contingencies or for equalizing dividends, or for repairing, maintaining and improving any part of the property of the company and for such other purposes as the directors shall in their discretion think conducive to the interests of the company and may invest the several sums so set aside upon such investments (other than shares of the company) as they may think fit and may from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the company and may divide the reserve fund into such special funds as they think fit with full power to employ the assets constituting the reserve fund in the business of the company and that without being bound to keep the same separate from the other assets:

Provided always that the investment of the reserve fund shall be subject to the limitations contained in section 6 of this Act.

19. The company may purchase the entire assets and undertake the whole or any part of the business, property and liabilities and the name and good will of any other company or companies carrying on any business which the company is authorized to carry on or possessed of property suitable for the purposes of the company and pay therefor in cash or in stock either fully paid up or partly paid up or partly in cash and partly in stock either fully paid up or partly paid up or in any other manner, and the company may enter into all agreements of purchase and sale and do all other acts necessary or convenient for the purpose of such purchase and sale:

Provided always that specified assets may be excepted from any such purchase and sale; the execution of any agreement made in pursuance of the powers hereby granted shall *ipso facto* vest in the company the interest and title in and to the property the subject-matter of the agreement and all and singular the business, property (real and personal), and all rights and incidents appurtenant thereto, also all stock, mortgages or other securities, subscriptions and other debts due on whatever account and all other things belonging to such

other company as may be party to the agreement shall be taken and deemed to be transferred to and vested in the company without further act or deed.

20. In case any company whose assets are acquired by the company has issued debenture stock and such debenture stock is outstanding at the date of the acquisition aforesaid the directors of the company may if and when they think fit and either with or without the sanction of the shareholders issue debenture stock to the extent of the nominal value of the debenture stock of such other company outstanding as aforesaid and may with the consent of any holder of debenture stock in such other company give to him in lieu of the debenture stock held by him debenture stock of the company on such terms as may be agreed upon.

21. The business of the company shall be managed by the directors who may pay all expenses incurred in promoting and incorporating the company and selling the stock thereof and may affix the seal of the company and may make or cause to be made for the company any description of contract which the company may by by-law enter into and may exercise all such powers of the company as are not by this Act required to be exercised by the company in general meeting and amongst other things may from time to time exercise the following powers the same being specifically referred to for greater certainty but not so as to restrict the generality of the foregoing terms of this section:

- (a) Issue debentures, bonds, deposit receipts and stocks and regulate the allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of certificate of stock, the forfeiture of stock for nonpayment, the disposal of forfeited stock and of the proceeds thereof and the transfer of stock;
- (b) Declare and pay dividends;
- (c) Determine the number of directors, their term of service, the amount of their stock qualification and their remuneration, if any;
- (d) Delegate any of their powers to committees consisting of such member or members of their body as they think fit and any committee so formed shall in the exercise of the powers so delegated confirm to any regulations that may be imposed on them by the directors;
- (e) Appoint and remove all agents, officers and servants of the company and provide for and determine their functions and duties, the security to be given by them to the company and their remuneration;
- (f) Determine the time and place for the holding of the annual or any other meeting of the company, the calling of meetings (regular and special) of the board of directors and of the company, the quorum at meetings of the directors and of the company, the requirements as to votes and proxies and the procedure in all things at such meetings;
- (g) Provide for the imposition and recovery of all penalties and forfeitures admitting of regulation by by-law;
- (h) Conduct in all other particulars the affairs of the company;
- (i) Make by-laws for the regulation of the business of the company, its officers and servants or the members of the company.

Debenture stock may be issued in lieu of existing debenture stock

Powers of directors

Issue debentures, receipts, calls, etc.

Dividends

Fix number, etc., of directors

Delegate powers

Appoint officers

Arrange meetings

Fix penalties

Conduct of company's affairs

Make by-laws

22. The company shall not be bound to see to the execution of any trust, whether express, implied or constructive, to which any share or shares of its stock or debentures or debenture stock or any deposit or any moneys payable by or in the hands of the company may be subject and the receipt of the person or persons in whose name such share or shares, debentures, debenture stock, deposit or moneys stand in the books of the company shall from time to time be sufficient discharge to the company for any payment made in respect of such share or shares, debentures, debenture stock, deposit or moneys notwithstanding any trust to which the same may then be subject and whether or not the company has had notice of such trust and the company shall not be bound to see to the application of the money paid upon such receipt.

Company
not bound
to see to the
execution
of trusts

23. If the interest of any person in any share in the capital stock or debenture stock or in any bond debenture or obligation of the company (such bond, debenture or obligation not being payable to bearer) is transmitted in consequence of the death or bankruptcy or insolvency of such holder or by any other lawful means other than a transfer upon the books of the company, the directors shall not be bound to allow any transfer pursuant to such transmission to be entered upon the books of the company or to recognize such transmission in any manner until a declaration in writing showing the nature of such transmission and signed and executed by the person claiming by virtue of such transmission and also executed by the former shareholder, if living, and having power to execute the same shall have been filed with the manager or secretary of the company and approved by the directors and if the declaration purporting to be signed and executed shall also purport to be made or acknowledged in the presence of a notary public or of a judge of a court of record or of a mayor of any city, town or borough or other place or a British consul or vice-consul or other accredited representative of the British Government in any foreign country the directors may in the absence of direct actual notice of a contrary claim give full credit to the declaration; and unless the directors are not satisfied with the responsibility of the transferee shall allow the name of the party claiming by virtue of the transmission to be entered in the books of the company.

Transmis-
sion
of interest
in shares
otherwise
than by
transfer

24. If the transmission takes place by virtue of any testamentary act or instrument or in consequence of an intestacy the probate of the will or letters of administration or document testamentary or other judicial or official instrument under which the title whether beneficial or as trustee or the administration or control of the personal estate of the deceased shall purport to be granted by any court or authority in Canada or in Great Britain or Ireland or any other of His Majesty's dominions or in any foreign country or an authenticated copy thereof or official extract therefrom shall together with the declaration mentioned in section 23 of this Act be produced and deposited with the manager, secretary, treasurer or other officer named by the directors for the purpose of receiving the same and such production and deposit shall be sufficient justification and authority to the directors for paying the amount or value of any dividend, coupon, bond, debenture or obligation or share or transferring or consenting to the transfer of any bond, debenture or obligation or share, in pursuance of or in conforming to such probate, letters of administration or other document as aforesaid.

Require-
ments in
case of
transmis-
sion by will
or intest-
acy

25. Whenever the directors shall entertain reasonable doubts as to the legality of any claim to or upon such shares, bonds, debentures, obligations, dividends or coupons or the proceeds thereof then and in such case it shall be lawful for the directors to file in the Supreme Court of Alberta a petition stating such doubts and praying for an order or judgment adjudicating and awarding the said shares, bonds, debentures, obligations, dividends, coupons or proceeds to the persons legally entitled thereto; and such court shall have authority to restrain any action, suit or proceedings against the company, the directors and officers thereof for the same subject-matter pending the determination of the petition; and the company and the directors and officers thereof shall be fully protected and indemnified by obedience to such order or judgment against all actions, suits, claims and demands in respect of the matters which shall have been in question in such petition and the proceedings thereupon:

Directors may apply to court in case of doubt

Provided always that if the court adjudges that such doubts were reasonable the costs, charges and expenses of the company in and about such petition and proceedings shall form a lien upon such shares, bonds, debentures, obligations, dividends, coupons or proceeds and shall be paid to the company before the directors shall be obliged to transfer or assent to the transfer of or to pay such shares, bonds, debentures, obligations, dividends, coupons or proceeds to the parties found entitled thereto.

26. The powers granted under this Act shall be subject to the provisions of any Act respecting loan companies which may at any time hereafter be in force in the province.

Company subject to further laws respecting loan companies

27. Notice of the time and place for holding general meetings of the company shall be given at least twenty days previous thereto in some newspaper published at the place in which the head office or chief place of business of the company is situate.

Notice of general meeting

(2) At such meetings each shareholder who has paid all calls due on his shares shall be entitled to as many votes as he owns shares in the company, and may vote by proxy:

Proxy

Provided that the proxy must be in writing, and must be filed with the secretary of the company three days before the opening of the meeting, and that no one but a shareholder of the company shall be entitled to hold a proxy.

No. 30

THIRD SESSION

SECOND LEGISLATURE

2 GEORGE V

1911

BILL

An Act to Incorporate Western Canada
Mortgage Corporation.

Received and read the

First time

Second time

Third time

EDMONTON:
JAMES E. RICHARDS, Government Printer
A.D. 1911