

BILL

No. 79 of 1913.

An Act Respecting Co-operative Associations.

(Assented to 1913)

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

SHORT TITLE.

1. This Act may be cited as "*The Co-Operative Associations Act*." Short title

2. "Registrar" shall mean the Registrar of Joint Stock Companies for the Province of Alberta; Interpretation

"Association" shall mean any Association incorporated under this Act.

3. The registrar shall have and exercise the powers by this Act granted to such registrar, and shall receive all fees payable to him, and shall have all the powers given him and perform all the duties prescribed by this Act with reference to any association. Power of Registrar of Joint Stock Companies

4. Any seven or more persons who desire to associate themselves together as an incorporated association under this Act, for the purpose of carrying on any labor, or fulfilling the requirements of any contract or undertaking by or on behalf of laborers, or for the purpose of conducting and carrying on any co-operative store or business, whether wholesale or retail, may, in the presence of a witness, sign in duplicate and cause to be filed in the office of the registrar a memorandum of association in writing (to which shall be attached an affidavit verifying the signatures) in the form mentioned in schedule A to this Act, or to the same effect, together with a copy of the rules or by-laws agreed upon for the regulation, government and management of the association, signed by such persons respectively. Procedure for the incorporation of an association under this Act

(2) The signatures to the rules or by-laws shall be verified by the affidavit of a subscribing witness thereto. Verification of signatures

(3) The said rules or by-laws shall contain provisions in respect of the following matters:

- (a) Mode of convening general and special meetings, and of altering rules or by-laws;
- (b) Provisions for the audit of accounts;
- (c) Power and mode of withdrawal of members, and provisions for the claims of executors or administrators of members;
- (d) Mode of application of profits;
- (e) Appointment of trustees, in number three, five or seven, whose duties shall be to conduct and manage all the business of the association and who shall appoint a chairman and secretary, and, if they deem it advisable a manager or managers and other officers whose respective duties they shall define

and whose remuneration they shall fix; filling any vacancy that from any cause may occur on the trustee board.

(4) It shall be the duty of the registrar to carefully peruse the said rules and by-laws and, if considered workable, to receive and file the same and the memorandum of association, otherwise to return them to the subscribers.

(5) Upon the filing of the memorandum of association and rules, or by-laws as aforesaid, and payment of the proper fees, the subscribers to the said memorandum of association shall become a body corporate by the name therein described, having perpetual succession and a common seal, with power to sue and be sued, plead and be impleaded, in all courts in the province, and to hold such lands as are required for the carrying on of the business of the association.

(6) The registrar shall indorse upon the duplicate memorandum of association, and upon a duplicate of the rules or by-laws, certificates of the originals having been filed in his office, with the date of filing; and every such indorsement shall be *prima facie* evidence of the facts stated therein, and of the incorporation of the association.

(7) The registrar shall cause the memorandum of association mentioned in schedule A to this Act to be advertised for four weeks, at the expense of the association, in The Alberta Gazette, and shall, at the time of filing, receive the charges provided for such advertising in schedule E to this Act.

(8) All rules or by-laws of the association may be repealed, altered or amended by other rules or by-laws passed at any meeting of the association specially called for that purpose, or at any annual meeting when at least thirty days' notice of such intention to repeal, alter, or amend such by-laws or rules has been given; provided that no new rule or by-law, or amended rule or by-law, shall have any force or effect until a copy thereof, proved by the affidavit of the chairman or secretary of the board of trustees to be a true copy, of the rule or by-law, or rules or by-laws, passed by the association at a meeting specially called for the purpose of considering the same, has been received and after perusal has been found workable and has been filed by the registrar.

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

6. Any memorandum of association so to be filed may designate any one or more places where the business is to be carried on, but shall designate where the head office or principal place of business of the association shall be.

7. A member of an association incorporated under this Act may have shares therein to an amount mentioned in any by-law of the association, but no member shall have more than one vote.

8. The rules or by-laws of every association under this Act shall bind the association and the members thereof to the same extent as if each member had subscribed his name and affixed his seal thereto, and there were in such rules or

by-laws a covenant on the part of himself, his heirs, executors and administrators, to conform to such rules or by-laws subject to the provisions of this Act.

(a) All moneys payable by a member to an association under this Act shall be a debt due from such member to the association, and shall be recoverable as such in the District Court of the district in which the head office of the association is situate, or in that of the district in which such member resides, at the option of the association. ^{Dues by a member} ^{Recovery of}

(b) Every association under this Act shall have a lien on the shares of any member for any debt due to it by him, and may set-off any sum credited to the member thereon in or towards payment of such debt. ^{Lien of shares}

SHARES AND CALLS.

9. The capital of every association under this Act shall be in shares of such denomination as may be mentioned in such rules or by-laws. ^{Denomination of shares}

10. The shares may be payable by instalments, not exceeding twenty per cent. at such times and in such manner as may be mentioned in the rules or by-laws; but no member shall be entitled to draw more than his proportion of interest on the paid-up portion of his shares, and shares shall not be transferable unless the rules provide for their transfer. Members may from time to time withdraw upon such terms as may be specified in the rules or by-laws; and the association may repurchase shares held by any member. ^{Shares, how purchased etc.} ^{Withdrawal}

11. The liability of the shareholders shall be limited, that is to say: No shareholder in any association under this Act shall be in any manner liable for or charged with the payment of any debt or demand due by the association beyond the amount remaining uncalled and unpaid of the face value of his share or shares subscribed for; and any shareholder having fully paid up the amount of his said share or shares shall be absolved from all further liability. ^{Liability of shares}

12. All elections shall be by ballot, and each member shall be entitled to one vote only. ^{Elections}

13. In case it happens at any time that an election of trustees is not made on the day designated in the rules or by-laws of the association when it ought to have been made, the association shall not for that reason be dissolved, but an election may be held on any other day in such manner as may be provided for in the rules or by-laws, or at a general meeting of the members to be specially called for that purpose, due notice being given of such election as in the rules provided for calling a general meeting; and all acts of trustees, until their successors are appointed, shall be valid and binding. ^{Elections not made on proper day}

DUTIES AND OBLIGATIONS OF ASSOCIATIONS.

14. With respect to the duties and obligations of associations under this Act, the following provisions shall have effect:— ^{Duties and obligations}

(1) Every association shall—

(a) Have a head office to which all communications and notices may be addressed, and at which all process ^{Head office}

may be served, and send to the registrar notice of the situation of such office, and of every change therein;

- (b) Paint or affix, and keep painted or affixed, its name on the outside of every office or place in which the business of the association is carried on, in a conspicuous place, in letters easily legible; and have its name engraven in legible characters on its seal; and have its name mentioned in legible characters in all notices, advertisements, and other official publications of the association, and in all bills of exchange, promissory notes, indorsements, cheques, and orders for money or goods purporting to be signed by or on behalf of such association, and in all bills of parcels, invoices, receipts, and letters of credit of the association; Association name
- (c) At the close of every year submit its accounts for audit to two or more persons appointed as the rules or by-laws of the association provide, who shall have access to all the books and accounts of the association, and shall examine the general statement of the receipts and expenditures, funds and effects of the association, and verify the same with the accounts and vouchers relating thereto, and shall either sign the same, as found by them to be correct, duly vouched, and in accordance with law, or specially report to the association in what respect they found any entry or account incorrect, unvouched, or not in accordance with law; Accounts, audit of
- (d) In the month of January in every year send to the registrar a general statement (to be called the annual return) of the receipts and expenditure, funds and effects of the association as audited, which shall show separately the expenditure in respect of the several objects of the association, and shall be made out to and inclusive of the thirty-first day of December then last past, and shall state the name, address and calling or profession of each such auditor, and the manner in which, and the authority under which, he is appointed, and together therewith shall send a copy of the auditor's report; Annual return
- (e) Allow any member or person having an interest in the funds of the association to inspect the books and the names of the members at all reasonable times, at the head office of the association, or at any place where the same are kept, subject to such regulations as to the time and manner of such inspection as may be made from time to time by the general meetings of the association, except that no such member or person, unless he be an officer of the association, or be specially authorized by a resolution thereof, shall have the right to inspect a loan or deposit account of any other member without the written consent of such member; Inspection of books by members
- (f) Supply gratuitously to every member or person interested in the funds of the association on his application, a copy of the last annual return of the association for the time being; Annual returns to be supplied free
- (g) Keep a copy of the last balance sheet for the time being, together with the report of the auditors, always hung up in a conspicuous place in the head office of the association. Balance sheet and auditor report to be posted conspicuously

(2) It shall be an offence against this Act if any association under this Act— ^{What constitutes offences}

- (a) Fails to give any notice, send any return or document, or do, or allow to be done, any act or thing which the association is by this Act required to give, send, do or allow to be done;
- (b) Wilfully neglects or refuses to do any act, or to furnish any information required for the purposes of this Act by the registrar, or other person authorized under this Act, or does any act or thing forbidden by this Act;
- (c) Makes a return, or wilfully furnishes information, in any respect false or insufficient.

(3) Every offence by an association under this Act shall be deemed to have been also committed by every officer of the same bound by the rules thereof to fulfill the duties whereof such offence is a breach, or if there be no such officer, then by each of the trustees, unless such member or trustee be proved to have been ignorant of or to have attempted to prevent the commission of such offence; and every act and default under this Act constituting an offence, if continued, shall constitute a new offence in every week during which the same continues. ^{Offences, by whom committed}

(4) Every return and other document required for the purposes of this Act shall be made in such form, and shall contain such particulars, as the registrar requires and prescribes. ^{Return, form of}

(5) All documents by this section required to be sent to the registrar shall be deposited with the rules or by-laws of the association to which the same respectively relate, and shall be registered or recorded by the registrar, with such observations thereon, if any, as he shall see fit. ^{Registrar's duties on receipt of documents}

PRIVILEGES.

15. A member of an association not being under the age of sixteen years, may, by writing under his hand, delivered at or sent to the head office of the association, nominate any person not being an officer or servant of the association, unless such officer or servant is the husband, wife, father, mother, child, brother, sister, nephew or niece of the nominator, to whom his shares in the association shall be transferred at his decease, and may from time to time revoke or vary such nomination by writing under his hand, similarly delivered or sent, but not otherwise; and every such association shall keep a book wherein the names of all persons so nominated shall be regularly entered, and the shares comprised in any such nomination shall be transferable to the nominee, although the rules of the association declare its shares to be generally not transferable; and on receiving satisfactory proof of the death of a nominator the trustee shall either transfer the shares in manner directed on such nomination, or pay to every person entitled thereunder the full value of his interest at their option. ^{Nomination of transferee of shares in case of death}

(2) If any member of an association entitled at his death to an interest in the association dies intestate, and without having made any nomination under this Act, which remains unrevoked at his death, such interest shall be transferable or payable without letters of administration to or among the persons who appear to a majority of the trustees upon such evidence as they may deem satisfactory, to be entitled by law to receive the same. ^{Book to be kept} ^{To whom shares belong in case of death}

(3) Whenever the trustees, after the decease of any member, make any payment or transfer to any person who at the time appears to them to be entitled under this section, the payment or transfer shall be valid and effectual against any demand made upon the committee or the association by any other person. Transfer to such person valid

(4) Where a member or person claiming through a member of an association is insane, and no committee of his estate or trustee of his property has been duly appointed, the association may, when it is proved to the satisfaction of the trustees that it is just and expedient so to do, pay the amount of the shares, loans and deposits belonging to such member or person to any person whom they shall judge proper to receive the same on his behalf, whose receipt shall be a good discharge to the association for any sum so paid. Lunacy of member

(5) A person under the age of twenty-one, but above the age of sixteen, may be a member of an association unless provision be made in the rules or by-laws thereof to the contrary, and may, subject to the rules or by-laws of the association, enjoy all the rights of a member (except as herein provided), and execute all instruments, and give all acquittances necessary to be executed or given under the rules or by-laws, but shall not be a member of the committee, trustee, manager, or treasurer of the association. Minor may be a member

(6) A promissory note or bill of exchange shall be deemed to have been made, accepted, or indorsed on behalf or any association under this Act if made, accepted or indorsed in the name of any such association, or by or on behalf or account of the association by any person acting under authority of the association. Promissory notes, etc., of association

(7) Any register or list of members or shares kept by any association under this Act shall be *prima facie* evidence in any court of any of the following particulars entered therein: Register prima facie evidence of particulars therein

- (a) The names, addresses and occupations of the members, the number of shares held by them respectively, the numbers of such shares, if they are distinguished by numbers, and the amount paid, or considered as paid, on any such share;
- (b) The date at which the name of any person, company or association was entered in such register or list as a member;
- (c) The date at which any such person, company or association ceased to be a member.

CONTRACTS.

16. Contracts on behalf of any association under this Act may be made, varied or discharged as follows: Contracts

- (a) Any contract which, if made between private persons, would be by law required to be in writing and under seal, may be made on behalf of the association in writing under the common seal of the association, and may in the same manner be varied or discharged; By special to
- (b) Any contract which, if made between private persons, would be by law required to be in writing signed by the persons to be charged therewith, may be made on behalf of the asso- Simple contracts where writing requisite by statute

ciation in writing by any person acting under the express or implied authority of the association, and may in the same manner be varied or discharged;

- (c) Any contract which, if made between private persons, would be by law valid, though made by parol only, and not reduced into writing, may be made on behalf of the association by a writing not under seal, signed by any person acting under the express or implied authority of the association; Simple contracts
- (d) A signature purporting to be made by a person holding any office in the association shall, *prima facie*, be taken to be the signature of a person holding, at the time when the signature was made, the office so stated. Signature of officer

And all contracts which may be or have been made, varied or discharged according to the provisions herein contained, shall, so far as concerns the form thereof, be effectual in law and binding on the association, and all other parties thereto.

PROPERTY AND FUNDS.

17. With respect to the property and funds of associations under this Act, the following provisions shall have effect:— Associations may

(1) An association may (if its rules do not direct otherwise) hold, purchase, or take on lease in its own name any land and may sell, exchange, mortgage, lease or build upon the same, and no purchaser, assignee, mortgagee or tenant shall be bound to inquire as to the authority for any such sale, exchange, mortgage or lease by the association, and the receipt of the association shall be a discharge for all moneys arising from or in connection with such sale, exchange, mortgage or lease. Hold and deal with land

(2) The rules may provide for the advancing of money by the association to members on the security of real or personal property. Advance to member on real security

(3) An association may, if its rules so allow, invest any part of its capital in the shares or on the security of any other association or corporation registered under this Act, or under any Act relating to Joint Stock Companies for the time being in force in this province, or incorporated by Statute; provided that no such investment be made in the shares of any association or corporation other than one with limited liability; and an association so investing may make such investment in its registered name. Invest in shares

(4) Any other body corporate, may, if its regulations permit, hold shares by its corporate name in an association under this Act. Other corporations may acquire its shares

(5) The profits of the association may be applied to any lawful purpose. Apply its profits lawfully

(6) A receipt under the hand of the chairman of the board of trustees of any association under this Act, countersigned by the secretary, in the form contained in schedule B to this Act, or in any form specified by the rules of the association, or any schedule thereto, for all moneys secured to such association by any mortgage or other assurance, indorsed upon or annexed to such mortgage or other assurance, shall, when registered in the proper office, vacate the same, and shall vest the property therein described in the person entitled to the equity of redemption of the same without any conveyance, and a registrar under *The Land Titles Act* Satisfaction of mortgage and other debts

shall accept such receipt, provided the same is in the form required by *The Land Titles Act*, as satisfactory proof of the satisfaction of the mortgage or other assurance.

18. Every person appointed to an office touching the receipt, management or expenditure of money, or with the receipt of goods, wares, or merchandise for the purposes of an association under this Act, shall, before entering upon the duties of his office, give such security, as is deemed sufficient by the trustees, which security may be varied in amount or renewed from time to time, and may be in the form contained in schedule C to this Act.

Security
to be given
by officials

19. Every dispute between any member or members of an association under this Act, or any person claiming through or under a member, or under the rules or by-laws of the association, and the trustees, treasurer, or other officer thereof, shall be decided by arbitration in manner directed by the rules or by-laws of the association, and the decision so made shall be binding and conclusive on all parties without appeal, and application for the enforcement thereof may be made to the District Court.

Disputes
to be settled
by arbitrator

20. With respect to special resolutions by associations under this Act, and to the proceedings which may be taken by virtue thereof, the following provisions shall have effect:

Special
resolutions

(1) A special resolution is one which is passed by a majority of not less than three-fourths of such members of an association, for the time being entitled under the rules to vote, as may be present in person or by proxy (where the rules allow proxies) at any general meeting, of which notice specifying the intention to propose such resolution has been duly given according to the rules, and which resolution is confirmed by a majority of such members, for the time being entitled under the rules to vote, as may be present in person or by proxy at a subsequent general meeting, of which notice has been duly given, held not less than fourteen days and not more than one month from the day of the meeting at which such resolution was first passed.

Special
resolution
defined

(2) An association may, by special resolution, change its name, but no such change shall affect any right or obligation of the association, or of any member thereof, and any pending legal proceedings may be continued by or against the association, notwithstanding its new name.

Change of
name

(3) Any two or more associations under this Act may, by special resolution of both or all such associations, become amalgamated together as one association, with or without any dissolution or division of the funds of such association, or either of them; and any association may, by special resolution, transfer its engagements to any other registered association, which may undertake to fulfill the engagements of such association.

Amalgamation

(4) No amalgamation or transfer of engagements shall prejudice any right of a creditor of any association which is a party thereto.

(5) A copy of every special resolution for any of the purposes mentioned in this section, signed by the chairman of the meeting and countersigned by the secretary, shall be sent to the registrar and registered, and until such copy is so registered such special resolution shall not take effect.

Registration
of special
resolutions

21. An association under this Act may be dissolved by consent of three-fourths of the members, testified by their signatures to an instrument of dissolution.

- (a) The instrument of dissolution shall set forth the liabilities and assets of the association in detail, the number of members, and the nature of their interests in the association respectively, the claims of creditors (if any), and the provisions to be made for their payment, and the intended appropriation or division of the funds and property of the association, unless the same be stated in the instrument of dissolution to be left to the award of the registrar.
- (b) A statutory declaration shall be made by the chairman and the secretary of the board of trustees that the provisions of this Act have been complied with, and shall be sent to the registrar with the instrument of dissolution.
- (c) The registrar shall cause a notice of the dissolution to be advertised, at the expense of the association, in *The Alberta Gazette*, and in some newspaper circulating in the district in which the head office of the association is situated.

22. In case of a dissolution of an association under this Act, the association shall nevertheless be considered as subsisting and be in all respects subject to the provisions of this Act, so long and so far as any matters relating to the same remain unsettled, to the intent that the association may do all things necessary to the winding up of the concerns thereof; and may sue and be sued under the provisions of this Act, in respect of all such unsettled matters.

23. Any one guilty of an offence under this Act shall, on the complaint of the association or any member thereof, or of the registrar, be liable, on summary conviction before any two justices of the peace, or any magistrate having the powers of two justices under *The Summary Convictions Act*, to a penalty not exceeding one hundred dollars and costs.

24. All fees which may be received by the registrar under or by virtue of this Act shall be paid by him into and form part of the general revenue fund.

25. The registrar shall, upon the written request of any person and the payment of the fees mentioned in schedule E, prepare a set of rules or by-laws for the regulation, government and management of any proposed association under this Act, provided the said person outline to the registrar the aims, object and business of said proposed association.

SCHEDULE A.

(Section 3.)

FORM OF MEMORANDUM OF ASSOCIATION.

We (insert the name, addition and address of each subscriber), do hereby express our desire to form an association under the provisions of *The Co-Operative Associations Act*. The corporate name of the association is to be (insert

name of association), Limited, and the objects for which the association is to be formed are (*insert objects for which association is formed*); the number of shares is to be unlimited; and the capital is to consist of shares of (*insert amount of shares*) each, or of such other amount as shall from time to time be determined by the rules or by-laws of the association. The number of the trustees who shall manage the concerns of the association shall be (*insert the number of trustees*), and the names of such trustees, until their successors are appointed under the rules or by-laws of the association to be formed, are (*insert names*), and the name of the place where the head office is situate is (*insert name*).

Dated the..... day of.....
 Witness: }
 }
 (Signatures.)

SCHEDULE B.

RECEIPT OF ACKNOWLEDGEMENT OF PAYMENT OF MORTGAGE OR OTHER ENCUMBRANCE.

I, *C.D.*, the mortgagee (encumbrancee or assignee as ^{Schedule B} the case may be) do acknowledge to have received all the moneys due or to become due under the within mortgage (or encumbrance, as the case may be) and that the same is wholly discharged.

In witness whereof I have hereunto subscribed my name this..... day of..... 19....

Signed by the above named *C.D.*,
 in the presence of }
 }
 (Signature.)

SCHEDULE C.

FORM OF BOND.

Know all men by these presents, that we, *A.B.*, of... .., one of the officers of the... .. Association, Limited, established at... .., in the district of... .., in the Province of Alberta, and *C.D.*, of... .., (as surety on behalf of the said *A.B.*) are jointly and severally held and firmly bound to the said association in the sum of... .. to be paid to the said association, or their attorney, for which payment well and truly made, to be made, we jointly and severally bind ourselves, and each of us, and each of our heirs, executors, and administrators firmly by these presents.

Sealed with our seals.

Dated the..... day of.....

Whereas, the above bounden *A.B.*, has been duly appointed to the office of... .. of the... .. association, established as aforesaid, and he together with the above bounden *C.D.*, as his surety, have entered into the above written bond, subject to the condition hereinafter contained: Now, therefore, the condition of the above

written bond is such that the said *A.B.* do render a just and true account of all moneys received and paid by him on account of the said association, at such times as the rules or by-laws thereof appoint, and do pay over all the moneys remaining in his hands, and assign and transfer or deliver all property (including books and papers) belonging to the said association in his hands or custody to such person or persons as the said association or the trustees thereof appoint, according to the rules or by-laws of the said association, then the above written bond shall be void, otherwise it shall remain in full force.

In witness whereof we have hereunto set our hands and seals this day of 191 . .

Signed, sealed and delivered, }
in the presence of }

SCHEDULE D.

ACKNOWLEDGEMENT OF REGISTRY OF THE ASSOCIATION.

The Association, Limited, having filed a duly executed Memorandum of Association and the rules (or by-laws) of the association, is registered under *The Co-operative Associations Act*, this day of

(STAMP OF REGISTRAR.)

SCHEDULE E.

TABLE OF FEES TO BE PAID TO THE REGISTRAR UNDER THIS ACT.

Filing application for registration	\$10.00
Registrar filing by-laws or rules, or amended by-laws or rules	2.50
Each search25
Every cancellation of registry	2.50
Filing any document25
Every certificate	1.25
Filing change of name	2.50
Advertising Certificate, Schedule A, in Gazette, four weeks	10.00
Preparing a set of Rules or By-laws for any proposed association	10.00

No. 79

FOURTH SESSION
SECOND LEGISLATURE
3 GEORGE V
1913

BILL

An Act respecting Co-operative
Associations.

Received and read the

First time

Second time

Third time

HON. C. R. MITCHELL

EDMONTON:
J. W. JEFFERY, Government Printer
1913