

BILL

No. 83 of 1913.

An Act to Incorporate the Alberta Co-operative Elevator Company, Limited.

(Assented to 1913.)

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

1. In this Act the term "local" unless the context otherwise requires means the body of shareholders who support an elevator organized and established at any point in the province, and the term "local board of management" means the board of managers elected at any meeting of such "local," according to the provisions of this Act. ^{Interpretation}

INCORPORATION, POWERS, ETC.

2. William J. Tregillus, of Calgary; Edward John Fream, of Calgary; Joseph Quinsey, of Noble; William S. Henry, of Bow Island; Rice Sheppard, of Edmonton; Edwin Carswell, of Red Deer, and Percy P. Woodbridge, of Calgary, all in the Province of Alberta, and all such other persons as shall become shareholders of the company shall be and are hereby declared to be a body corporate and politic, under the name and style of "The Alberta Co-operative Elevator Company, Limited." ^{Incorporation}

3. The capital stock of the company shall consist of such amount as shall from time to time be fixed by the Lieutenant Governor in Council and shall be divided into shares of sixty dollars each, to be held only by agriculturists. ^{Capital stock}

4. No person shall hold more than twenty shares and no assignment or transfer of any share shall be valid unless approved by the directors. ^{Holdings}

5. The company shall have power to construct, acquire by purchase, agreement, lease or otherwise, maintain and operate grain elevators and (subject to the provisions of the next succeeding section of this Act) to sell or lease to any company, or to make an agreement with any company to control and operate grain elevators in the Province of Alberta, (provided that no such last mentioned sale, lease or agreement shall be valid or binding until it has first been submitted to all "locals" and has been approved by a majority of the total shareholders of the company actually voting upon such proposed sale, lease or agreement); to buy and sell grain and generally to do all things necessary to the production, storing and marketing of grain; to act as commission or general agents for any person, company or corporation in the purchase, sale, storing and delivery of any and all goods and chattels required by farmers; ^{Powers}

to acquire by purchase, agreement, lease, or otherwise, and to hold, any interest in real or personal property requisite for the purposes of the company, and to dispose of the same or any portion thereof.

6. Every sale, lease, agreement, or other arrangement made with any company for the control or operation of the said elevators under authority of the next preceding section, shall be subject to the approval of the Lieutenant Governor in Council, and its covenants, provisions and requirements shall be non-enforceable until such approval has been expressed.

7. The head office of the company shall be at Calgary, ^{Head office} in the Province of Alberta, or at any such other place in Alberta as the directors may from time to time determine by by-law.

8. Until directors are elected as hereinafter provided ^{Provisional directors} the aforesaid William J. Tregillus, Edward John Fream, Joseph Quinsey, William S. Henry, Rice Sheppard, Edwin Carswell, and Percy P. Woodbridge, shall be the provisional directors; and they or a majority of them are hereby empowered to take subscriptions for shares and to receive payments thereon, to organize locals, to make all necessary payments for costs and expenses incident to the sale of shares, and the organization of locals and generally to perform all acts and things and pay all expenses necessary for the organization of the company.

9. The company shall not commence business until ^{Commencement of business} twenty locals have been organized as hereinafter provided.

10. As soon as the conditions for the commencement of ^{First general meeting} business as set out in the next preceding section have been complied with the provisional directors shall call the first general meeting of the company at the head office of the company by giving twenty days' notice of the holding of such meeting to each delegate, elected as hereinafter provided for; such notice to be given by registered letter; and at the said meeting a board of directors comprised of nine duly qualified shareholders shall be elected who shall be paid such remuneration as the meeting may determine.

11. At the first general meeting of the company three ^{Directors} directors shall be elected for three years, three for two years, and three for one year, and thereafter a sufficient number of directors shall be elected each year to fill the vacancies occurring on the board; and all directors elected annually subsequent to the first general meeting shall hold office for three years; provided that the shareholders at any general meeting may by a resolution which shall receive three-fifths majority of the delegates voting thereon remove any director or all directors before the expiration of his or their period of office and may subsequently by an ordinary resolution appoint another shareholder or shareholders in his or their stead. The shareholder or shareholders so appointed shall hold office during such time only as the director or directors in whose place he or they (is, or) are appointed would have held the same if the said director or directors had not been removed.

12. Immediately after each annual meeting the directors ^{Officers} shall meet and from among their number or otherwise they shall appoint a president, vice-president, secretary and treasurer, and shall by by-law describe and set out the duties of the various officers, fix the amount and mode of payment of the salaries of all officers, and, in the absence of by-laws passed by the shareholders may make by-laws for the management and control of the property of the company, and the general conduct of its business. Any such by-laws, except those assigning the duties and fixing the salaries of officers shall be confirmed, amended or repealed at the annual meeting of shareholders succeeding their adoption by the directors. The remuneration of the directors *qua* directors shall be fixed by the shareholders in annual meeting assembled.

13. The persons entitled to vote at the first general ^{Persons entitled to vote} meeting and at all subsequent general meetings of the company shall be the shareholders who have been elected delegates by the locals for that purpose under the provisions of section 20 hereof; each delegate shall have one vote; and excepting as provided in this section no shareholder shall vote at any meeting of the company on account of any shares held by him or otherwise and all acts done by a majority of the delegates at any meeting of the company shall be deemed to be the acts of the company.

14. The business of the company shall be managed by ^{Powers of directors} the directors who may affix the seal of the company and make all contracts on behalf of the company 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 or as are not conferred by by-law of the company upon the local boards of management and any other powers not contrary to the provisions of this Act which may be conferred upon them by by-law of the company.

LOCALS.

15. When farmers owning or cultivating an annual ^{Locals} grain crop acreage of at least 6,000 acres tributary to any shipping point, prior to the first day of April in any year, in writing, request the directors to establish (whether by erection, purchase, lease or other mode of acquisition) an elevator (with sufficient store-room attached) at said shipping point and subscribe for an amount of stock at least equal to the value of the proposed elevator said elevator shall be established by the company in time to receive that year's grain and other farm produce and the company shall in that and succeeding years operate said elevator.

16. Each and every elevator so created or acquired by ^{Capacity} the company shall have a capacity of at least 10,000 bushels for every 2,000 acres, actually seeded to grain, in the calendar year next prior to its erection or acquisition, in the territory tributary to the shipping point at which each such elevator is erected.

17. At any time during the course of the construction or during the time of negotiations to acquire an elevator, or at any time subsequent thereto any person so desiring may subscribe for stock and become a member of a "local," provided he pays in cash, at the time of his so subscribing

the same percentage of his stock so subscribed as has already been called in or assessed against the original shareholders.

18. At any time subsequent to the erection or acquisition of an elevator, any member or members of the "local" supporting said elevator may withdraw from said "local" and become members of any other "local," already organized or in course of organization; provided always that in so withdrawing the "local" from which they desire to withdraw is not so weakened as to fail to comply with the requirements of sections 15 and 16.

19. Twenty per cent. of the stock subscribed by shareholders desiring an elevator at any shipping point must be paid prior to the erection or acquisition by the company of such elevator, and the remaining eighty per cent. within four years from the date of subscription. A written notice by the secretary of the company sent by registered mail to any such shareholder shall be sufficient demand from such shareholder of payment of the amount mentioned in said notice, and barring error, the said amount shall be due and payable to the company on the day mentioned in said written notice; provided that thirty days notice must be given and not more than twenty per cent. of the amount of stock subscribed by any shareholder shall be collectable in one call; provided however, that the company may agree with any shareholder to accept payment of the said eighty per cent. of the amount of stock subscribed by him or any percentage thereof by way of a charge of an extra one cent per bushel over and above the regular charge for handling his grain; provided further that upon non-payment of any call or assessment, for thirty days after the same is due the directors may cancel the share or shares of stock upon which such call or assessment so remains unpaid and the said stock shall forthwith become treasury stock.

20. Upon the erection or acquisition of an elevator at any shipping point and annually thereafter upon a date fixed by by-law of the company a meeting of the shareholders supporting the said elevator shall be held at which all matters pertaining to the management, operation and maintenance of the elevator shall be reviewed and discussed and a local board of management consisting of five duly qualified shareholders supporting the said elevator shall be elected to hold office until their successors are appointed; and at the said meeting there shall be elected from among the shareholders supporting the said elevator, three delegates or such other number of delegates as the company may by by-law determine to attend the general meetings of the company.

21. Unless otherwise provided by by-law of the company at all meetings of the shareholders supporting any particular elevator, each shareholder shall have one vote.

22. The local board of management shall have such powers and duties as shall be determined from time to time by by-law of the company or as may be delegated to them by the directors.

FINANCES.

23. It shall be the duty of the directors to make provision for keeping an accurate account of all the business and financial transactions of the company and for that purpose all books, records, forms and methods of book-keeping and accounting shall be submitted to the provincial auditor for approval before being adopted.

24. All moneys received by the company or by any of its officers on behalf of the company shall be deposited forthwith in such chartered bank or banks as the directors may determine and shall be paid out, under regulations to be framed by the directors, by cheques signed by the president or treasurer of the company, and such other person as by by-law the directors may designate or appoint.

25. The treasurer of the company and each of its officers employees, or servants, whose duty it is to receive or handle moneys on behalf of the company shall before entering upon the duties of his office furnish a bond or covenant of some guarantee company to be named by the directors, to secure the due accounting by him for all moneys that come into his hand, which bond or guarantee in each case shall be in such form and for such amount as the directors may decide and the directors shall pay the premiums for such guarantee bonds out of the funds of the company.

26. The shareholders of the company in annual meeting assembled shall appoint a chartered accountant whose duty it shall be to thoroughly inspect all books and audit all accounts and verify all reports and financial statements made by the directors to the shareholders and to the provincial treasurer; such audit shall be made annually at the close of the financial year and so often during the year as the directors may require, or the circumstances demand. It shall be the duty of such auditor to report to the directors, and direct to the shareholders, any financial discrepancies or irregularities and to make such recommendations to the directors and to the shareholders, with reference to the books and accounts of the company, as the facts warrant.

27. Any officer, servant or employee of the company who signs any false statement or report or makes any false or misleading entry of any kind in any book of the company or in any way in the transaction of the company's business shall *ipso facto* be disqualified forever from holding any office or position of trust in connection with the company's affairs.

28. Any auditor who certifies any false, misleading or improper statement, account or balance of accounts or report as correct or who fails to detect any false or misleading entry, statement or report, which a careful audit should have detected, or who signs any false or misleading certificate, statement or report shall *ipso facto* become disqualified from further acting as auditor for the company, and the directors in the name of the company, within reasonable time after the discovery of any such misconduct on the part of any auditor, shall be entitled to sue and obtain judgment against the said

auditor for any and all sums of money paid said auditor by the company at any time, and to their right to bring such action no Statute of Limitations shall apply.

29. The financial year of the company shall end on the thirtieth day of June in each year, on which date the books and accounts of the company shall be closed and balanced.

30. So soon after the close of the financial year as may be practicable the Provincial Auditor, or his nominee or nominees, shall audit all accounts and shall inspect all records and books of the company and shall examine all reports and returns for the said financial year and shall report the result to the Provincial Treasurer and the costs and expenses of such audit, inspection and report shall be paid by the company to the Provincial Treasurer.

PROVINCIAL AID.

31. The Lieutenant Governor in Council is hereby authorized from time to time and on such terms and conditions as may be agreed on with the company to loan to the company for the purpose of aiding in the acquisition, erection, extension or remodelling of any elevator or elevators a sum not to exceed eighty-five per cent. of the estimated cost of the said elevator or elevators or of such extension or remodelling.

32. The amount of every such loan shall bear interest at the rate of five per cent. until the thirty-first day of August in the year following the date of such loan, when such interest shall be payable, and the amount of the said loan with interest at the said rate shall be repaid to the Provincial Treasurer in twenty equal annual instalments of principal and interest, the first of such instalments to be due and payable on the thirty-first day of August in the second year next following the granting of the loan, and each of the remaining nineteen instalments of principal and interest on the thirty-first day of August of each of the succeeding nineteen years. All sums of money so loaned to the company together with interest at the said rate shall be secured by a first mortgage or mortgages upon the said elevator or elevators or upon all elevators belonging to the company and upon any and every interest in all real and personal property which the company may have or hold in connection with the said elevator or elevators.

33. Notwithstanding anything contained in *The Land Titles Act* or *The Bills of Sale Ordinance*, or any other Act or Ordinance in force in this province, any Chattel Mortgage or Mortgage affecting real estate or any other instrument affecting either real or personal property given by the company to the province or to the Provincial Treasurer, representing the province, by way of security for any advance or loan made the company by the province under the authority of this Act, shall be legal and binding on the company, without any affidavit of *bona fides* and without any detailed description of the chattel property charged thereby, and it shall be sufficiently registered and filed, if filed in the office of the registrar of joint stock companies and such mortgage or other instrument shall have priority from the date of such filing over all executions, transfers, mortgages or other incumbrances or charges of dispositions of

any sort affecting the same property or any part thereof and shall from the date of the filing thereof as aforesaid be and remain in full force and effect without renewal until discharged or satisfied.

34. The form and terms of the mortgage and of any other evidences of debt which may be given by the company on account of any such said loan, the times and manners in which the sums loaned shall be paid to the company and the disposition of all moneys loaned shall be such as the Lieutenant Governor in Council may approve. Forms and terms of securities

35. The Lieutenant Governor in Council shall have power to pay to the provisional directors of the company any sum not exceeding the amount granted by the Legislature for that purpose which may be required to cover the expenses incurred in the organization of the company and of locals; any sums so paid to the provisional directors shall be expended in such manner as may be approved by the Lieutenant Governor in Council and all such expenditures shall be subject to the audit of the Provincial Auditor. Provincial aid for organization purposes

DISPOSITION OF REVENUE.

36. The annual revenue of the company, including all moneys received as a result of the operation of the elevators under its control or management, shall be distributed as follows:— Order of disposition of revenue

(a) The annual payment, if any, due to the Province shall be first paid;

(b) Then all current liabilities shall be paid;

(c) If sufficient funds remain, a dividend not exceeding 8% shall be declared and paid to the shareholders;

(d) If funds still remain, the directors shall set aside such sum as they deem meet as a reserve fund;

(e) If any balance remains it shall be divided among the shareholders and patrons of the company, on a *pro rata* basis according to the business furnished to the company by each, and as to such *pro rata* distribution the decision of the Directors shall be final and there shall be no appeal therefrom and no action or suit in court shall be maintained with reference to the same.

GENERAL.

37. The Lieutenant Governor in Council shall have power to make all provisions not inconsistent with this Act which may be required for the better carrying out of the purposes of the Act.

BY-LAWS.

38. The company may from time to time make such by-laws not contrary to law or inconsistent with this Act for the administration, management and control of the property and business of the company and for the conduct in all particulars of the affairs of the company as are considered necessary or expedient for carrying out the provisions of this Act according to the true intent and meaning thereof. Power to make by-laws

39. The company shall have power to borrow money by debenture or otherwise for the purpose of carrying out the objects of its incorporation and to hypothecate, pledge and mortgage its real and personal property and to sign bills, notes, contracts and other evidences of or securities for money borrowed or to be borrowed by the company for the purposes aforesaid. ^{Power to borrow money}

(2) The board of directors may exercise these powers when duly authorized thereto by by-laws of the company.

SPECIAL GENERAL MEETING.

40. Any three "Locals" may by resolution, passed by a majority in each case of the shareholders supporting any local elevator who actually attend and vote at any meeting called for that purpose by their respective boards of management, request the President to call a general meeting of all shareholders to discuss the affairs of the company and it shall be the duty of the president forthwith to call such general meeting at Calgary or some other convenient place, and of the time and place of such meeting all shareholders shall be notified by registered mail at least 20 days in advance of such meeting. ^{Special general meeting}

41. The shareholders attending any such special general meeting may appoint any shareholder as chairman of such meeting and any shareholder as secretary and may discuss any phase of the company's work and may pass such resolutions as they choose in connection with company affairs and may transmit such resolutions or any of them to all "locals" for their consideration. ^{Powers of special general meeting}

No. 83

FOURTH SESSION
SECOND LEGISLATURE
3 GEORGE V
1913

BILL

An Act to incorporate the Alberta
Co-Operative Elevator Company,
Limited.

Received and read the

First time

Second time

Third time

EDMONTON:
J. W. JEFFERY, Government Printer
1913