

BILL

No. 1 of 1917.

An Act to incorporate The Alberta Guarantee and Fidelity Company.

(Assented to _____, 1917.)

WHEREAS a petition has been presented praying for the incorporation of a company to carry on the business of guarantee and fidelity insurance with incidental powers as hereinafter set forth, and it is expedient to grant the prayer of the said petition;

Therefore His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. Herbert McIntyre McCallum, of the City of Regina, in the Province of Saskatchewan, financial agent; Arthur George Rawlinson, of the Town of Qu'Appelle, in the Province of Saskatchewan, and David Laurence McLean, of the City of Calgary, in the Province of Alberta, superintendent, together with such persons as become shareholders in the company, are incorporated under the name of "The Alberta Guarantee and Fidelity Company," herein called "the company."

2. The head office of the company shall be in the City of Calgary in the Province of Alberta until changed by a vote of the shareholders.

3. The several clauses of *The Alberta Insurance Act* shall be and the same are hereby incorporated with and shall be deemed to be part of this Act, and shall apply to the said company and to the insurance to be placed by them, excepting so far as the same may be inconsistent with the express enactments hereof, and the expression "this Act" when used herein shall be understood to include the clauses of the said *Insurance Act* as aforesaid.

4. The company may—

(a) Make and effect contracts guaranteeing the fidelity of persons filling or about to fill positions of trust or confidence and the due performance and discharge by such persons of all or any of the duties or obligations imposed on them by contract or the terms or nature of their employment or otherwise and guaranteeing the due performance and observance by any persons of any or all of the obligations imposed or about to be imposed upon such persons by any contract and guaranteeing that any persons seeking to enter into any such contract will if required execute and complete said contract;

(b) Guarantee the fidelity and due performance and discharge of their respective duties and obligations by receivers, official and other liquidators, assignees, committees, guardians, executors, administrators, trustees, attorneys, brokers, grain dealers, and agents;

(c) Guarantee to any employer or employers the fidelity and due performance of their respective duties by any or all of the employees of such employer or employers;

(d) Guarantee the due observance and performance of any duty or obligation, financial or otherwise, imposed on any person or persons under any Statute of the Parliament of Canada or the Legislative Assembly of any province or under any rule of court or the order of any court, judge, master in chambers or arbitrator.

(e) Guarantee the payment of moneys secured by or payable under or in respect of debentures, bonds, debenture stock, contracts, mortgages, charges, obligations and securities of any company or corporation or of any authority whether corporate or unincorporate;

(f) Guarantee persons filling or about to secure situations of trust or confidence against liability in connection therewith and particularly against liabilities resulting from the misconduct of any co-trustee, co-agent, sub-agent or any person;

(g) Guarantee the payment of money secured by or payable under or in respect of debenture bonds, debenture stock, contracts, mortgages, charges, obligations, and securities of any company or of any authority, supreme, municipal, local, or otherwise, or of any persons whomsoever, whether corporate or unincorporate;

(h) Furnish and provide deposits and guarantee funds required in relation to any tender or application for any contract, concession, decree, enactment, property, or privilege, or in relation to the carrying out of any contract, concession, decree or enactment;

(i) Receive money, securities and valuables of all kinds for custody and generally to carry on the business of a safe deposit company.

5. The persons named in section 1 of this Act shall be the provisional directors of the said company, a majority of whom shall be a quorum for the transaction of business; and they or a majority of them may cause stock-books to be opened at the head office of the company or elsewhere at the discretion of the provisional directors, and procure subscriptions of stock for the undertaking, and make calls upon stock subscribed and receive payments thereon and deposit the amounts so received in a chartered bank or banks and may withdraw the same for the purposes of the company only; and to pay all costs and expenses incurred in the application for and obtaining this Act; and may do generally whatever is necessary for the purposes of the company until such time as the directors are elected as hereinafter provided when the powers and functions of the provisional directors shall cease and determine.

6. The capital stock of the said company shall be one million dollars (\$1,000,000.00) divided into ten thousand (10,000) shares of one hundred dollars (\$100.00) each.

7. The annual general meeting of the shareholders shall be held on the 15th day of January in each year.

8. So soon as five hundred thousand dollars of the capital stock have been subscribed and ten per centum of that amount has been paid in the provisional directors shall call a general meeting of the shareholders at a place to

be named in the City of Calgary by addressing a notice of such meeting at least ten days before the date thereof to each shareholder at the address given by each of such shareholders when subscribing for such stock at which meeting the shareholders present or represented by proxy who have paid at least ten per centum on the amount of stock subscribed for by them shall adopt by-laws for the company and elect a board of not less than five and not more than twelve directors who shall hold office until their successors are elected.

9. The company shall not commence business as provided for by the Act until at least five hundred thousand dollars of the capital stock shall have been subscribed for and at least fifty thousand dollars of the said subscribed stock shall have been paid in and a Board of Directors elected as aforesaid and the company has deposited with the Provincial Treasurer of the Province of Alberta ten thousand dollars in cash or approved securities to that amount.

10. The affairs of the company shall be managed and conducted by a board of not less than five nor more than twelve directors as may be provided by the by-laws, a majority of whom shall be a quorum, and at least three and at no time less than one-half of such directors shall be residents of the Province of Alberta.

No person shall be eligible as a director unless he shall hold in his own name stock in the company to the amount of at least twenty-five shares upon which all calls have been paid, and the office of a director shall, upon his ceasing to hold that number of shares, or becoming insolvent by voluntary assignment or compulsory liquidation, immediately and *ipso facto* cease and be vacated.

11. Calls on stock may be made by the directors at such time and in such proportion as they deem proper; provided no call shall exceed ten per cent. of the par value of the shares respectively subscribed for by the shareholders and no call shall be made at a less interval than three calendar months from the last preceding call.

12. In the event of the property and assets of the company being insufficient to liquidate its debts and liabilities the shareholders shall be liable for such debts and liabilities to the extent of the amount then remaining unpaid on their respective shares but for no greater amount:

Provided, however, that no action may be brought against any shareholder in respect of any debt or liability of the company until executions against the goods and lands of the company have been returned unsatisfied in whole or in part:

Provided further that any shareholder may plead by way of defence to any such action any defence or set-off which he could plead or set up against the company except in respect of unpaid dividends or salary or allowances due such shareholder as an officer or director of the company.

13. The company may liquidate and carry on for the purpose of such liquidation, the business of any other company carrying on any business which the company is authorized to carry on, upon such terms as may be agreed upon.

14. The directors may from time to time establish branch offices and locate advisory boards at such other places in the Province of Alberta as they shall determine; and the company may in general meeting of the shareholders duly called for the purpose (at which meeting shareholders representing at least one-half of the paid-up capital stock of the company are present or represented by proxy) pass a by-law authorizing the directors to extend the business of the company outside of the Province of Alberta.

(2) If, as provided in the next preceding subsection, the company carries on business outside of the Province of Alberta, the company may in general meeting of its shareholders, duly called for the purpose, pass a by-law authorizing the directors to invest moneys of the company in the acquisition of property and the erection or the purchase of buildings required for the occupation or use of the company in any place where the company is so carrying on business.

15. The company shall have power to amalgamate with or purchase the business of any other company carrying on business similar to this company, or to sell out or dispose of the business of this company to any other such company, upon such terms and conditions as may be agreed upon and shall not impair the resources or remedy of any creditor or *cestui que* trust of either company to the transaction, but before the completion of any such amalgamation, purchase or sale of the same must be approved of by two-thirds of the votes of the shareholders at an annual general meeting, or of a special general meeting called for the purpose.

16. The directors may set aside out of the profits of the company such sums as they think proper as a reserve fund to meet contingencies or for equalizing dividends or for repairing, improving or maintaining any of the property of the company, and for such other purposes as the directors may in their discretion think conducive to the interest of the company, and may invest the sums so set aside upon such investments as they 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 divide the reserve fund into such special funds as they think fit, with all power to employ in the business of the company the assets, constituting the reserve fund, and that without being bound to keep the same separate from the other assets.

17. The company shall, unless otherwise provided by by-law, have a first and paramount lien for unpaid calls on all shares registered in the name of any holder either alone or jointly with others, to or with the company, whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not, and such lien shall extend to all dividends and interest from time to time payable in respect thereof. The directors may forfeit any shares on which the company has a lien and sell and transfer or re-issue the same if the holder makes default in payment of any amount actually due and payable to the company in respect of which the lien subsists, after giving such notices and generally in such manner and subject to such provisions as may be prescribed by the by-laws of the company.

18. The company shall have power to lease, acquire and hold real estate for the purpose and the accommodation of its business within the province of a value not exceeding twenty thousand dollars and to sell and dispose of the same and to acquire other property in its place as may be deemed expedient and to take, hold and acquire all such real and personal estate as shall have been mortgaged to it by way of security or conveyed to it in satisfaction of debts previously contracted in the course of its business.

19. One or more auditors shall be appointed by the shareholders at each annual general meeting whose report shall be embodied in the general statement of the affairs of the company submitted to the shareholders.

20. Every letter or notice relating to any matter concerning the company, sent to a shareholder by post and registered from any office of the company and addressed to such shareholder at the place of his residence as standing in the register book of shareholders, shall be sufficient notice to such shareholder, and all persons claiming under him and shall bind him and all persons claiming under him, and shall be deemed to be duly served upon being placed in the post office.

21. This Act shall come into force on the day it is assented to.

No. 1.

FIFTH SESSION
THIRD LEGISLATURE
7 GEORGE V
1917

BILL

An Act to incorporate The Alberta
Guarantee and Fidelity Company.

Received and read the

First time.....

Second time.....

Third time.....

EDMONTON:
J. W. JEFFERY, KING'S PRINTER,
A.D. 1917