

Bill No. 26 of 1942.

A BILL TO AMEND THE CREDIT UNION ACT.

NOTE.

This Bill amends *The Credit Union Act*.

The new subsections added to section 10 provide procedure for the changing of the name of a credit union. Certain credit unions adopted the name of their labour union. Where there are two labour unions the choice of name has caused difficulty in getting as large a membership as might otherwise be available. This provision for a change of name is in keeping with recognized procedure in other types of corporations.

The powers of credit unions are enlarged by the amendments to section 19. The new paragraph (*gg*) enables them to acquire and dispose of securities which they have taken for loans whether the securities are real or personal. The new paragraph (*ggg*) enables payment to the executor, administrator or immediate relatives of funds not exceeding two hundred dollars standing to the credit of deceased members without the necessity of taking out probate or administration. There was previously no provision relating to the disposal of such moneys.

Section 55 is amended so as to remove the absolute prohibition of an officer of the union from disposing of his shares. Having this prohibition in mind many capable members of a credit union avoided taking office. The amendment permits directors or other officers to dispose of their shares with the approval of a two-thirds majority of the officers of the union. The liability to the creditors of the union is preserved for a period of four months after any such disposition of shares.

Section 79 is amended to enable the incorporation of federations of credit unions and to clarify the power of the Lieutenant Governor in Council to make regulations relating thereto.

W. S. GRAY,
Acting Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 26 of 1942.

An Act to amend The Credit Union Act.

(Assented to _____, 1942.)

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

1. This Act may be cited as "*The Credit Union Act Amendment Act, 1942.*"

2. *The Credit Union Act*, being chapter 22 of the Statutes of Alberta, 1938, is hereby amended as to section 10 by adding thereto the following new subsections:

"(3) Any credit union may change its name in the manner prescribed for making amendments to Supplemental By-laws.

"(4) When a credit union changes its name the Registrar shall,—

"(a) enter the new name on the register in place of the former name; and

"(b) issue under his seal of office a certificate to the effect that the credit union has changed its name and setting out the new name; and

"(c) if he thinks it advisable, publish a notice of the change of name in *The Alberta Gazette*, and the cost of publication shall be borne by the credit union.

"(5) The change of name shall not affect any rights or obligations of the credit union or render defective any legal proceedings by or against the credit union, and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name."

3. The said Act is further amended as to section 19 by adding thereto immediately after paragraph (g) the following new paragraphs:

"(gg) take, hold, realize on, or otherwise dispose of any securities held for loans, whether the securities are real or personal property;

"(ggg) upon the death of any member, pay any moneys (not exceeding two hundred dollars) standing to his credit whether as payment on shares or as deposits, to his executor, administrator, widow, son

or daughter, which payment to any or all of such persons shall release the credit union from any further liability with respect to the moneys so paid;”.

4. The said Act is further amended as to section 55 by striking out the same and by substituting therefor the following:

“55. No person who is a director, officer or member of the credit committee or the supervisory committee shall, during his term of office, withdraw or transfer or otherwise dispose of sums paid by him on account of shares unless the withdrawal or transfer is approved at a meeting of the members of the Board of Directors, the credit committee and the supervisory committee, at which he is not present by a vote which is equal to two-thirds of the number of all such members, and in case of the insolvency of the credit union, any such withdrawal or transfer made by him within four months preceding the insolvency shall be null and void, and he shall remain liable to the creditors of the credit union to the full extent of the shares so transferred or disposed of.”

5. The said Act is further amended as to section 79 by striking out the same and by substituting therefor the following:

“79.—(1) Credit unions may agree to take joint action for the protection of their common interests by means of federations, the activities and operations of which may cover all or a portion of the Province.

“(2) The Lieutenant Governor in Council may make regulations,—

“(a) respecting the method and procedure to be adopted in the incorporation of any such federation;

“(b) respecting membership in the federation and the rights, duties and powers of members;

“(c) governing the holding of and procedure at meetings of federations;

“(d) granting and defining the objects, powers, duties and functions of any such federation;

“(e) governing the dissolution of federations;

“(f) respecting all such other matters and things as are incidental or conducive to or consequential upon the attainment of the objects of any such federation, or are expedient or necessary.”

6. This Act shall come into force on the day upon which it is assented to.

SECOND SESSION
NINTH LEGISLATURE
6 GEORGE VI
1942

BILL

An Act to amend The Credit
Union Act.

Received and read the

First time

Second time.....

Third time.....

HON. MR. MANNING.

EDMONTON:
A. Shnitka, King's Printer
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