

1950

# c 214 Loan and Trust Corporations Act

Ontario

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## CHAPTER 214

**The Loan and Trust Corporations Act****1. In this Act,**Interpre-  
tation.

- (a) “accountant” means a member of the Institute of Chartered Accountants of Ontario or of the Certified Public Accountants Association of Ontario or such other person as may be approved by the Registrar as being a qualified accountant for the purpose of auditing the books and accounts of corporations under this Act;
- (b) “chief agency” means the principal office or place of business in Ontario of a corporation that has its head office out of Ontario;
- (c) “corporation” means a loan corporation, a loaning land corporation or a trust company;
- (d) “due application” includes the furnishing of information, evidence and material required by the Registrar, and the payment of the prescribed fees in respect of any application, certificate or document required or issued under this Act; and also the payment to the Treasurer of Ontario of all taxes due and payable by the applicant company under any Act of Ontario;
- (e) “extra provincial corporation” means a corporation other than one incorporated under the law of Ontario;
- (f) “head office” means the place where the chief executive officers of the corporation transact its business;
- (g) “law of Ontario” includes any laws of the former Province of Canada or of Upper Canada, continued as the law of Ontario, or consolidated or incorporated with the law of Ontario; 1949, c. 52, s. 1, cls. (a-g).
- (h) “loan corporation” means every incorporated company, association or society, constituted, authorized or operated for the purpose of lending money on the security of real estate, or for that and any other purpose, but does not include a chartered bank, an insurance corporation, a loaning land corporation, a

Rev. Stat.,  
c. 187.

trust company, or an investment company registered under *The Investment Contracts Act*; 1949, c. 52, s. 1, cl. (h); 1950, c. 38, s. 1.

- (i) "loaning land corporation" means a corporation incorporated for the purpose of lending money on the security of real estate and of carrying on the business of buying and selling land;
- (j) "Minister" means the member of the Executive Council under whose direction this Act is administered;
- (k) "paid in" as applied to the capital stock of a corporation or to any shares thereof means the amount paid to the corporation on its shares, not including the premium if any paid on such shares, whether such shares are or are not fully paid up;
- (l) "paid up", when applied to any share, means a share on which there remains no liability, actual or contingent, to the issuing corporation;
- (m) "permanent stock" or "permanent shares" includes all stock or all shares of permanent or fixed capital not liable to be withdrawn from or repaid by the corporation;
- (n) "provincial corporation" means a corporation incorporated under the law of Ontario;
- (o) "real estate" includes messuages, lands, rents and hereditaments, whether freehold or of any other tenure, and whether corporeal or incorporeal, and leasehold estates, and any undivided share thereof, and any estate, right or interest therein;
- (p) "registered corporation" means a corporation registered under this Act;
- (q) "Registrar" means Registrar appointed under this Act;
- (r) "trust company" means a company constituted or operated for the purpose of acting as trustee, bailee, agent, executor, administrator, receiver, liquidator, assignee, guardian of a minor's estate, or committee of a mentally incompetent person's estate. 1949, c. 52, s. 1, cls. (i-r).

Application  
of Act.

2.—(1) This Act shall apply, according to its context, to every corporation within the meaning of this Act.

(2) With respect to every provincial corporation whether formed or incorporated before or after the passing of this Act and whether formed or incorporated by or under a special or general Act or by letters patent or otherwise, any provision of the Act or letters patent or other instrument of incorporation that is inconsistent or in conflict with the provisions of this Act shall not apply. Idem.

(3) Sections 3 to 58, except sections 29 and 45, shall apply only to provincial corporations. 1949, c. 52, s. 2. Idem.

INCORPORATION OF LOAN CORPORATIONS, LOANING LAND  
CORPORATIONS AND TRUST COMPANIES

**3.—(1)** An application for the incorporation of a loan corporation, a loaning land corporation or a trust company shall be made by petition to the Lieutenant-Governor in Council through the Minister in the prescribed form, and shall be delivered to the Registrar. Application for incorporation.

(2) The applicants shall for one month next before filing their application with the Registrar publish a notice thereof in *The Ontario Gazette*, and shall also before such filing give the like notice at least once in a newspaper published in the locality in which the head office is to be established. Notice of application.

(3) The notice shall state the proposed corporate name, the location of the head office, which shall be in Ontario, the purposes of the corporation, and for what amount of permanent capital stock authorization will be asked, with the number of shares and the par value of the shares. Contents.

(4) The applicants shall furnish such further information as may be required by the Minister or the Registrar. Further information.

(5) The application shall be accompanied by the original, or one of the duplicate originals, of a declaration adopted at a general meeting of the promoters, and executed under their respective hands and seals by at least 25 persons present at the meeting who are subscribers for shares. Application to be accompanied by a declaration.

(6) The declaration shall set out the names in full and the address and calling of each of the declarants and shall declare that the declarants assembled at..... on..... (*naming the place and time*); .....being chairman, and .....being secretary of the meeting (*naming them*) did there and then agree to constitute themselves a provisional corporation by the name of (*mentioning the proposed corporate name*) under *The Loan and Trust Corporations Act* and under the proposed by-laws there and then adopted, and annexed Contents of declaration.

to the declaration; also that the following persons, five in number (*naming them*), were elected provisional directors.

Reference to Registrar.

(7) The Minister may refer the application or any question arising thereunder to the Registrar for a report, and the Registrar shall report thereon. 1949, c. 52, s. 3.

By-laws to accompany declaration.

4.—(1) Three copies of the proposed by-laws shall accompany the declaration, one copy duly certified being annexed thereto.

What they shall provide for.

(2) Subject to this Act, the by-laws shall,

- (a) provide for the proposed corporate name, and the location of the head office of the corporation;
- (b) set out the purposes for which the corporation is to be constituted;
- (c) declare that the capital stock of the corporation consists exclusively of permanent capital stock divided into a stated number of shares each of a stated uniform amount, and declare what respective amounts of such capital stock are before the commencement of business to be authorized, subscribed, and paid in, with the proviso that no shares shall be issued at a discount, or upon any terms, agreement or understanding that the taker or holder shall be liable for any less amount than the par value of the shares, less the calls paid thereon;
- (d) in the case of a loan or a loaning land corporation, define and regulate the exercise of such general powers of borrowing as are by this Act conferred upon loan corporations and loaning land corporations, and declare within what limits such borrowing powers are to be exercised, and whether by issuing debentures or otherwise;
- (e) provide for the holding of general meetings, ordinary and special, of the shareholders;
- (f) provide for the election of directors, prescribe their number, powers, duties, and term of office, and the number necessary to constitute a quorum;
- (g) provide that security in amounts satisfactory to the board of directors shall be taken for the fidelity of the person or persons having custody or control of the funds of the corporation;

(h) provide for the proper audit, at least yearly, of the books and accounts of the corporation by two or more accountants, who shall not be otherwise employed by the corporation or be otherwise officers thereof;

(i) require that there shall be mailed or delivered to each shareholder, at least 10 days before the annual meeting, a statement, verified by the auditors, of the assets and liabilities and income and expenditure of the corporation to a date not more than two months before the meeting, the statement to be drawn in accordance with the form from time to time prescribed by the Registrar;

(j) provide for their amendment by the shareholders in general meeting; and

(k) provide that no transfer of shares of the corporation may be made that has the effect of reducing the number of shareholders to less than 25. 1949, c. 52, s. 4.

5. A sworn copy of the stock subscription shall also be filed with the Registrar containing such particulars as he may require. 1949, c. 52, s. 5. Stock subscription.

6. If on receiving an application for incorporation the Minister finds in the by-laws anything repugnant to this Act or to the law of Ontario, he may direct an amendment of the by-laws, and, upon their being amended as directed and returned certified as having been so amended, the application may be proceeded with. 1949, c. 52, s. 6. Minister may direct amendment of by-laws.

7. The by-laws accompanying the declaration mentioned in section 3 with such amendments as may have been required by the Minister, shall be the first by-laws of the corporation and shall take effect on the date of the incorporation. 1949, c. 52, s. 7. First by-laws of corporation.

8.—(1) For the purpose of incorporation the applicants shall file with the Registrar an affidavit showing that at least \$300,000 of stock has been subscribed for and taken up *bona fide* by at least 25 responsible subscribers, each of the applicants holding in his own name and for his own use shares of an aggregate par value of at least \$1,000 and has paid in cash all calls due thereon and all liabilities incurred by him to the corporation, and that in the case of trust companies at least \$100,000 and in other cases at least \$50,000 of such subscribed Affidavit as to subscription and payment.

stock has been paid in cash by the subscribers into a branch in Ontario of a chartered bank, in trust for the proposed corporation, free from all liability on the part of the proposed corporation or any of the subscribers to make repayment of the same or any part thereof to any person, firm, or corporation, and that each subscriber has out of his own money, contributed to the amount so paid in rateably according to the amount of shares subscribed for by him.

New corporation acquiring assets of existing corporation.

(2) Where the corporation is to be constituted for the purpose of acquiring the assets of one or more existing corporations and the proposed consideration for the transfer of the assets is to consist wholly or in part of shares of the capital stock of the new corporation, the Lieutenant-Governor in Council may dispense with the requirements of subsection 1 as to subscription and payment to such extent as he may deem proper. 1949, c. 52, s. 8.

All stock to be permanent.

**9.**—(1) All stock and shares in any corporation incorporated after the 17th day of March, 1900, shall be fixed, permanent and non-withdrawable.

Unless issued prior to 17th March, 1900.

(2) Any corporation that did not issue terminating stock or shares on or before the 17th day of March, 1900, shall not make or issue such stock or shares.

Saving as to law applicable to terminating shares.

(3) Notwithstanding the repeal of certain Acts and parts of Acts by section 143 of *The Loan and Trust Corporations Act*, being chapter 34 of the Statutes of Ontario, 1912, the law of Ontario which, on the 16th day of April, 1912, was in force and applied to corporations having terminating or withdrawable stock or shares, shall continue in force and shall apply to such corporations so long as such stock or shares subsist. 1949, c. 52, s. 9.

Letters patent.

**10.**—(1) A grant of incorporation shall be by letters patent.

Contents.

(2) The letters patent shall set forth the name under which, and the date at which, the corporation became incorporated, the location of the head office, the amount of stock authorized, and the business to be undertaken by the corporation, distinguishing between the classes of business mentioned in section 107. 1949, c. 52, s. 10.

Term.

**11.** Incorporation may be granted without limitation of time, or for any limited term of years not less than 10. 1949, c. 52, s. 11.

**12.**—(1) Where incorporation is granted for a limited term of years, the letters patent shall specify the first and the last day of the term. Term to be specified if limited.

(2) Where incorporation has been granted for a limited term, application may, upon the like notice as is required by section 3, be made on or before the expiry of the term for the renewal or extension of the incorporation, and the incorporation may be renewed or extended by letters patent either without limitation of time or for a limited term. 1949, c. 52, s. 12. Renewal of terminating charter.

**13.**—(1) If a corporation does not go into actual *bona fide* operation within two years after incorporation, or at any time for two consecutive years does not use its corporate powers for the purposes set forth in the Act or instrument of incorporation, such non-user shall *ipso facto* work a forfeiture of the corporate powers except so far as may be necessary for winding up the corporation. Forfeiture of charter for non-user.

(2) In any action or proceeding where such non-user is alleged, proof of user shall lie upon the corporation. Onus of proof of user.

(3) No such forfeiture shall affect prejudicially the rights of creditors as they exist at the date of the forfeiture. Rights of creditors not affected.

(4) The Lieutenant-Governor in Council may upon application revive any charter so forfeited, upon compliance with such conditions and upon payment of such fees as the Lieutenant-Governor in Council may designate. 1949, c. 52, s. 13. Charter may be revived.

**14.**—(1) The directors of any loaning land corporation may pass a by-law to delete from its letters patent the power to lend money on the security of real estate and the power to receive deposits. Loaning land corporations, power to withdraw from Act.

(2) No such by-law shall have any effect until it has been ratified by a vote of shareholders present or represented by proxy at a general meeting of the corporation duly called for considering the by-law and holding not less than two-thirds of the issued capital stock of the corporation represented at the meeting, and until it has been confirmed by the Lieutenant-Governor in Council. Ratification and confirmation.

(3) At any time not more than six months after the ratification of the by-law, the directors may petition the Lieutenant-Governor in Council for confirmation of the by-law. Petition for confirmation.



Conditions precedent to confirmation.

(4) The Lieutenant-Governor in Council may grant such confirmation if he is satisfied of the *bona fide* character of the changes provided for in the by-law and that the confirmation of the by-law is in the public interest.

Evidence of confirmation.

(5) The confirmation by the Lieutenant-Governor in Council may be evidenced by a certificate of the Minister or by a certified copy of the Minister's certificate, and such certificate or certified copy thereof shall be conclusive evidence of all matters therein certified and of the due performance of all matters precedent to the granting thereof.

Effect of confirmation.

(6) Upon the confirmation of the by-law, the corporation shall cease to be a corporation within the meaning of this Act and the Registrar shall forthwith transfer all papers in his department connected with the corporation to the Provincial Secretary. 1950, c. 38, s. 2, *part*.

Consent of holders to redemption.

**15.** Unless preference shares, debentures or bonds are issued subject to redemption or conversion the same shall not be subject to redemption or conversion without the consent of the holders thereof. 1949, c. 52, s. 14.

First directors of the corporation.

**16.** Where incorporation is granted, the provisional directors named in the declaration of the applicants shall be the first directors of the corporation, and shall continue in office until their successors are duly elected. 1949, c. 52, s. 15.

When letters patent of trust company may issue.

**17.—(1)** Letters patent of incorporation of a trust company may issue where it is shown to the satisfaction of the Lieutenant-Governor in Council that, in the locality in which the head office of the proposed company is to be situate, there exists a public necessity for a trust company or for an additional trust company.

Satisfying Lieutenant-Governor of fitness of applicants.

(2) Such letters patent shall not issue unless the Lieutenant-Governor in Council is satisfied that the fitness of the applicants to discharge the duties of a trust company is such as to command the confidence of the public, and that the public convenience and advantage will be promoted by granting to the company the powers applied for. 1949, c. 52, s. 16.

Transfer of papers.

**18.** After the issue of letters patent to any corporation required or authorized to register under this Act, the Provincial Secretary shall transfer all papers in his Department connected with the corporation to the office of the Registrar. 1949, c. 52, s. 17.

STATUTORY MEETINGS

**19.**—(1) Every corporation shall, within a period of not less than one month and not more than three months from the date at which the corporation is entitled to commence business, hold a general meeting of its shareholders which shall be called the statutory meeting. Statutory meetings.

(2) The directors shall, at least 10 days before the day on which the meeting is to be held, forward to every shareholder of the corporation a report certified by not less than two directors of the corporation showing, Report to be sent to shareholders.

(a) the total number of shares allotted, distinguishing shares allotted as fully or partly paid up otherwise than in cash, and stating in the case of shares partly paid up the extent to which they are so paid up, and in either case the consideration for which they have been allotted;

(b) the total amount of cash received by the corporation in respect of such shares, distinguished as aforesaid;

(c) an abstract of the receipts and payments of the corporation on capital account to the date of the report, and an account or estimate of the preliminary expenses of the corporation;

(d) the names, addresses and descriptions of the directors, auditors, if any, manager, if any, and secretary of the corporation; and

(e) the particulars of any contract, the modification of which is to be submitted to the meeting for its approval, together with the particulars of the modification or proposed modification.

(3) The report, so far as it relates to the shares allotted by the corporation, and to the cash received in respect of such shares, and to the receipts and payments of the corporation on capital account, shall be certified as correct by the auditors, if any, of the corporation. Report to be certified by auditors.

(4) The directors shall cause a copy of the certified report to be filed with the Registrar forthwith after sending it to the shareholders. Report to be filed with Registrar.

(5) The directors shall cause a list showing the names and addresses of the shareholders, and the number of shares held by each of them, to be produced at the commencement of the meeting, and to remain open and accessible to any shareholder of the corporation during the continuance of the meeting. List of shareholders to be produced at meeting.

Shareholders may discuss business of company at meeting.

(6) The shareholders present at the meeting shall be at liberty to discuss any matter relating to the formation of the corporation, or arising out of the report, whether previous notice has been given or not, but no resolution of which notice has not been duly given may be passed.

Adjournments.

(7) The meeting may adjourn from time to time, and at any such adjourned meeting any resolution of which notice has been duly given, either before or subsequently to the former meeting, may be passed, and an adjourned meeting shall have the same powers as the original meeting.

Application to court if default made.

(8) If default is made in filing the report or in holding the statutory meeting, then at the expiration of 14 days after the last day on which the meeting ought to have been held any shareholder may petition the court for the winding up of the corporation, and the court may either direct that the corporation be wound up or give directions for the report being filed or a meeting being held, or make such other order as may be just, and may order that the costs of the petition be paid by the persons who, in the opinion of the court, are responsible for the default. 1949, c. 52, s. 18.

#### GENERAL MEETINGS OF SHAREHOLDERS

Annual meeting.

**20.**—(1) A general meeting of the shareholders shall be held at least once in each year for the purpose of considering the financial statement of the corporation, and the election of directors and auditors, and the transaction of such other business as is proper at such general meeting under the law of Ontario and the by-laws of the corporation.

Notice of annual meeting.

(2) Notice of the time and place of the holding of the annual general meeting of the shareholders shall be delivered, or shall be sent by post to the address of each shareholder so far as the same is known, or, on request, to his proxy residing in North America or the United Kingdom, and the notice of the meeting shall be so delivered or sent at least 10 days before the time fixed for holding the meeting, and a copy of the annual statement of the directors to a date not more than four months before the date of the meeting shall accompany the notice. 1949, c. 52, s. 19.

Special general meetings.

**21.**—(1) The directors shall have the right at any time by resolution of the board passed in that behalf to call a special general meeting of the shareholders for the transaction of any business specified in the resolution.

On requisition of shareholders.

(2) One-fourth part in value of the shareholders of the corporation shall, by requisition delivered to the manager, acting manager, or secretary thereof, have at all times the

right to have a special general meeting called by such officer for the transaction of any business specified in the requisition.

(3) Notice of the holding of a special general meeting of the shareholders, specifying the time and place of the meeting and the business to be transacted thereat, shall be delivered, or shall be sent by registered post, to the address of each shareholder, so far as the same is known, at least 10 days before the day appointed for the meeting. Notice.

(4) No other business shall be transacted at any special general meeting unless all the shareholders are present in person or by proxy and unanimously consent thereto. Other business.

(5) Before the business of any special general meeting is proceeded with there shall be produced and read a statutory declaration of the manager, acting manager or secretary of the corporation that the requirements of this section as to notice have been fully complied with. Proof of notice.

(6) A copy of the notice so delivered or sent, and of the declaration in relation thereto, shall be entered in the minute book of the corporation as part of the proceedings of the meeting. 1949, c. 52, s. 20. Minutes.

**22.** Any director or officer wilfully neglecting or omitting to give effect to the requisition mentioned in section 21, or to give the notice of any general meeting required by section 20 or 21, shall be guilty of an offence. 1949, c. 52, s. 21. Penalty.

**23.** At all meetings of shareholders of the corporation a shareholder shall have one vote for each share held by him upon which he is not six months in arrear. 1949, c. 52, s. 22. Voting power of shareholders.

**24.** A shareholder may either vote in person or be represented and vote by a proxy who is a shareholder of the corporation and not six months in arrear. 1949, c. 52, s. 23. Proxies.

**25.** The transactions of all annual and special general meetings of the corporation and of all meetings of the board of directors shall be entered in a book to be known as the minute book of the corporation. 1949, c. 52, s. 24. Minute book.

#### BY-LAWS

**26.** A meeting of the shareholders, called with due notice thereof, may make such lawful and proper by-laws for the government of the corporation, not repugnant to this Act or any other law in force in Ontario, as the majority of the shareholders may make by-laws. Shareholders may make by-laws.

holders present in person or by proxy deem proper. 1949, c. 52, s. 25.

To be sealed.

**27.** Every by-law shall be reduced to writing and shall have affixed thereto the seal of the corporation, and shall be receivable in evidence without proof of the seal or of the signature or of the official character of the person or persons appearing to have signed the same, and without further proof thereof. 1949, c. 52, s. 26.

By-laws to be recorded.

**28.**—(1) The by-laws shall be forthwith recorded in a book to be kept by the corporation for that purpose and to be known as the "By-law Book".

Right to inspect By-law Book.

(2) Such book shall, without the payment of any fee or charge, be open during business hours for inspection by any shareholder, depositor, debenture holder or holder of a guaranteed investment certificate, by himself or his agent, and any such person may make extracts therefrom. 1949, c. 52, s. 27.

Copy of by-laws, etc., to be filed with Registrar.

**29.** Every corporation shall deliver to the Registrar within one month after the passing thereof a certified copy of its by-laws and of every repeal, or addition to, or amendment or consolidation thereof. 1949, c. 52, s. 28.

Delegating to directors power to make or amend by-laws.

**30.**—(1) The shareholders in meeting may by by-law, of which, as proposed, notice shall be given to each shareholder with the notice of the meeting, empower the directors to make, amend and repeal by-laws for the corporation.

Confirmation necessary.

(2) Every such by-law of the directors and every repeal, amendment or re-enactment thereof, unless in the meantime confirmed at a general meeting of the corporation duly called for that purpose, shall have force only until the next annual meeting of the corporation, and in default of confirmation thereat shall, at and from that time, cease to have force, and in that case no new by-law to the same or the like effect or re-enactment thereof shall have any force until confirmed at a general meeting.

By-laws may be varied.

(3) The corporation may at a general meeting duly called for the purpose or at an annual meeting repeal, amend, vary or otherwise deal with any by-law passed by the directors; but no act done or right acquired under any by-law shall be prejudicially affected by any such repeal, amendment, variation, or other dealing. 1949, c. 52, s. 29.

Alteration at general meeting.

**31.** At a general meeting the shareholders may alter or amend such by-laws, and may confirm the same as so altered and amended. 1949, c. 52, s. 30.

**32.** The directors of a corporation, authorized as provided by section 30, may make by-laws, not repugnant to this Act or any other law in force in Ontario, to regulate,

By-laws for particular purposes.

- (a) the allotment and issue of shares, the making of calls thereon, the payment thereof, the issue and registration of certificates of shares, the forfeiture of shares for non-payment, the disposal of forfeited shares and of the proceeds thereof, the transfer of shares, and subject to section 58 the subdivision of existing shares into shares of smaller amount;
- (b) the declaration and payment of dividends;
- (c) subject to section 66, the appointment, functions, duties and removal of agents, officers and servants of the corporation, and their remuneration;
- (d) the calling of meetings of the directors and the procedure at such meetings; and
- (e) the conduct in all other particulars of the affairs of the corporation. 1949, c. 52, s. 31.

DIRECTORS

**33.—**(1) The term of office of the directors of a corporation shall not exceed two years.

Term of office.

(2) Where the term of office is one year only, the number of directors shall not be less than five.

Number.

(3) Where the term of office is two years, the number of directors shall be an even number not less than six, and one-half of the directors shall retire annually at the general meeting in rotation, but shall, if otherwise qualified, be eligible for re-election.

Idem.

(4) Where the term of office is two years, the first elected directors shall at their first meeting determine by lot which of them shall retire at the end of the first year. 1949, c. 52, s. 32.

Retirement by lot.

**34.—**(1) The election of directors shall be by ballot.

Ballot.

(2) No person shall be qualified to be a director unless he is of the full age of 21 years and is a shareholder holding, in his own right, shares of the corporation, on which at least \$1,000 has been paid in, and is not in arrear in respect of any call thereon.

Qualification of directors.

Majority to be residents and British subjects.

(3) The majority of the directors shall at all times be resident in Canada and subjects of His Majesty by birth or naturalization.

New election to fill directorships in such case.

(4) Where more than the prescribed number of non-residents and aliens are elected, a new election shall be held forthwith to fill all the directorships to which aliens or non-residents have been elected, and so on until the number of non-residents or aliens is reduced to the prescribed number.

Remuneration.

(5) The remuneration of directors shall be fixed by the shareholders in general meeting. 1949, c. 52, s. 33.

Provision in case of failure of election.

**35.** If at any time an election of directors is not held, or does not take effect at the proper time, the corporation shall not be thereby dissolved, but the election may take place at any general meeting of the corporation duly called for that purpose, and the retiring directors shall continue in office until their successors are elected. 1949, c. 52, s. 34.

Interim vacancies.

**36.** Vacancies occurring in the board of directors may be filled for the unexpired remainder of the term by the board from among the qualified shareholders of the corporation. 1949, c. 52, s. 35.

Powers of directors.

**37.** The directors may lawfully exercise all the powers of the corporation except as to such matters as are directed by law or by the by-laws of the corporation to be transacted at a general meeting and have not been delegated to the directors by a general meeting as provided by section 30. 1949, c. 52, s. 36.

President and vice-president.

**38.—**(1) The directors shall from time to time elect from among themselves a president and one or more vice-presidents, and the directors shall in all things delegated to them act for and in the name of the corporation, and, subject to subsection 2, the concurrence of a majority of the directors present at any meeting shall at all times be necessary to any act of the board.

Casting vote.

(2) On any question before the board each director shall have one vote, and in the event of an equality of votes the president or presiding officer shall have a second or casting vote. 1949, c. 52, s. 37.

Executive committee.

**39.—**(1) The shareholders of a corporation having more than six directors may, at a general meeting called for the purpose, by resolution of two-thirds of the shareholders present in person or by proxy, authorize the directors to

delegate any of their powers to an executive committee consisting of not less than three to be elected by the directors from their number.

(2) A committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed upon them by such resolution or by the directors. Committee's powers.

(3) Where directors delegate any of their powers to an executive committee, the powers so delegated shall be stated in writing and entered in the minute book of the corporation. Delegated powers to be recorded in minute book.  
1949, c. 52, s. 38.

**40.** Subject to this Act and to the Act or instrument constituting the corporation and to the by-laws of the corporation, the directors may, General powers of directors.

(a) use or cause to be used and affixed the seal of the corporation, and may affix or cause it to be affixed to any document or paper which in their judgment may require the same;

(b) make and enforce calls upon the shares of the respective shareholders;

(c) declare the forfeiture of all shares on which such calls are not paid;

(d) make any payments and advances of money they may deem expedient that are authorized to be made by or on behalf of the corporation, and enter into all contracts for the execution of the purposes of the corporation, and for all other matters necessary to the transaction of its affairs;

(e) generally deal with, sell, exchange, lease and dispose of the lands, property and effects of the corporation in such manner as they deem expedient and conducive to the benefit of the corporation;

(f) do and authorize, assent to or adopt all acts required for the due exercise of any further powers and authorities conferred by the Legislature. 1949, c. 52, s. 39.

**41.**—(1) Where the directors entertain reasonable doubts as to the legality of any claim to or upon any share, bond, debenture, or obligation of a corporation, or to or upon any dividend, coupon or the proceeds thereof, they may apply to the Supreme Court, stating such doubt, for an order or judgment adjudicating upon such claim, and awarding such share, Where directors have reasonable doubts as to legality of claim.



bond, debenture, obligation, dividend, coupon or proceeds to the person legally entitled to the same, and the court may restrain any action or proceeding against the corporation, or the directors or officers thereof, for the same subject-matter, pending the determination of the application.

Order of court to be indemnity to company.

(2) If the order or judgment of the court is obeyed, the corporation and the directors and officers shall be fully protected and indemnified against all actions, claims and demands in respect of the matters in question in such application and the proceedings thereupon. 1949, c. 52, s. 40.

"Manager" and "Managing Director".

**42.** The secretary or treasurer or secretary-treasurer or other officer of the corporation may be styled "Manager", and when the officer is also a director he may be styled "Managing Director". 1949, c. 52, s. 41.

Certain persons in service of corporation to furnish security.

**43.** Every officer or other person appointed to any office in anywise concerning the receipt, safe-keeping or proper application of money shall furnish security according to the by-laws of the corporation and to the satisfaction of the directors for the just and faithful execution of the duties of his office, and any person entrusted with the performance of any other service may be required by the directors to furnish similar security. 1949, c. 52, s. 42.

Liability of directors declaring a dividend when corporation is insolvent, etc.

**44.** The directors shall not declare or pay any dividend or bonus when the corporation is insolvent, or that renders the corporation insolvent or diminishes its capital; and if any director, present when any such dividend or bonus is declared, forthwith, or if any director then absent, within 24 hours after he becomes aware thereof, and is able to do so, enters his written protest against the same, and within eight days thereafter notifies the Registrar in writing of his protest, the director may thereby, but not otherwise, exonerate himself from liability. 1949, c. 52, s. 43.

Liability of directors for wages.

**45.—(1)** The directors of any corporation shall be jointly and severally liable to its labourers, servants and apprentices for all debts not exceeding one year's wages due for services performed for the corporation while they are such directors.

Where no liability.

(2) A director shall not be liable under subsection 1 unless,

- (a) the corporation has been sued for the debt within one year after it has become due and execution has been returned unsatisfied in whole or in part; or
- (b) the corporation has, within that period, gone into liquidation or has been ordered to be wound up and the claim for such debt has been duly filed and proved,

and unless he is sued for such debt while a director or within one year after he has ceased to be a director.

(3) If execution has so issued the amount recoverable against the director shall be the amount remaining unsatisfied on the execution. Liability for amount unsatisfied on execution.

(4) If the claim for such debt has been proved in liquidation or winding-up proceedings a director, upon payment of the debt, shall be entitled to any preference which the creditor paid would have been entitled to, and where a judgment has been recovered he shall be entitled to an assignment of the judgment. 1949, c. 52, s. 44. On payment director entitled to assignment of judgment, etc.

SHARES; CALLS ON CAPITAL STOCK

46.—(1) The directors may call in and demand from the shareholders the amount unpaid on shares by them subscribed or held at such times and places and in such payments or instalments as the special Act, letters patent, supplementary letters patent, or this Act, or the by-laws of the corporation require or allow, and interest shall accrue upon the amount of any unpaid call from the day appointed for payment thereof. Calling in instalments.

(2) The demand shall state that in the event of non-payment the shares in respect of which the call was made will be liable to be forfeited. Demand to state liability to forfeiture.

(3) If after the demand any call is not paid in accordance therewith, the directors, by resolution duly recorded in their minutes, may summarily forfeit any shares whereon such payment is not made, and the same shall thereupon become the property of the corporation and may be disposed of as, by by-law or otherwise, the corporation may determine; but such forfeiture shall not relieve the shareholder of any liability to the corporation or to any creditor. 1949, c. 52, s. 45. Forfeiture of shares.

47. Every shareholder, until the whole amount of his shares has been paid up, shall be individually liable to the creditors of the company to an amount equal to that not paid up thereon, but shall not be liable to an action therefor by any creditor before an execution against the corporation has been returned unsatisfied in whole or in part, and the amount due on the execution, but not beyond the amount so unpaid on such shares, shall be the amount recoverable, with costs, against the shareholder. 1949, c. 52, s. 46. Liability of shareholders.

48. In any action under section 47 a shareholder may plead by way of defence, in whole or in part, any set-off that he could set up against the corporation, except a claim for Set-off.

unpaid dividend, or a salary or allowance as a president or a director of the corporation. 1949, c. 52, s. 47.

Par value  
of shares.

**49.** The par value of a share of capital stock shall be any multiple of \$5 but shall not be less than \$10 and not more than \$100. 1949, c. 52, s. 48.

Representatives,  
guardians,  
or trustees  
not to be  
personally  
liable.

**50.**—(1) No person holding shares in the corporation as executor, administrator, guardian, committee of a mentally incompetent person, or trustee of or for any estate, trust or person named in the books of the corporation as being so represented by him, shall be personally subject to any liability as a shareholder, but the estate and funds in his hands shall be liable in like manner and to the same extent as the testator, intestate, ward or person interested in such trust fund would be if living and competent to hold the shares in his own name.

Liability of  
beneficiary.

(2) If the trust is for a living person, not under disability, such person also shall be liable as a shareholder.

Where  
beneficiary,  
etc., not  
named,  
trustee, etc.,  
liable.

(3) If such testator, intestate, ward, mentally incompetent person or person so represented is not named in the books of the corporation, the executor, administrator, guardian, committee or trustee shall be personally liable in respect of such shares as if he held them in his own name as owner thereof. 1949, c. 52, s. 49.

Payments  
on shares in  
advance of  
calls.

**51.**—(1) Except with the consent of the directors, no payment on account of capital stock shall be made in advance of calls thereon.

Right to  
participate  
in dividends.

(2) In respect of any sum so paid a shareholder shall be entitled to participate in any dividend declared, but it shall not bear interest and shall not constitute a loan to or a debt of the corporation.

To be  
credited as  
against sub-  
sequent calls.

(3) The shareholder shall be entitled to have any such advance payment credited to him *pro tanto* as against subsequent calls. 1949, c. 52, s. 50.

Restrictions  
on transfer.

**52.** Subject to section 53, no by-law shall be passed which in any way restricts the right of a holder of paid up shares to transfer the same, but nothing in this section shall prevent the regulation of the mode of transfer thereof. 1949, c. 52, s. 51.

When  
directors'  
consent  
required.

**53.**—(1) No transfer of shares, the whole amount whereof has not been paid, shall be made without the consent of the directors.

(2) Where any such transfer is made with the consent of the directors to a person who is not apparently of sufficient means to fully pay up such shares, the directors shall, subject to subsection 3, be jointly and severally liable to the creditors of the corporation in the same manner and to the same extent as the transferring shareholder, but for such transfer, would have been. Directors' liability.

(3) If any director present when any such transfer is allowed, forthwith, or if any director then absent, within 24 hours after he becomes aware of such transfer, and is able to do so, enters his written protest against the same, and within eight days thereafter notifies the Registrar in writing of his protest, the director may thereby, but not otherwise, exonerate himself from liability. Relief from liability by entering protest.

(4) Where a share upon which a call is unpaid is transferred with the consent of the directors, the transferee shall be liable for the call to the same extent and with the same liability to forfeiture of the share if the call remains unpaid, as if he had been the holder when the call was made, and the transferor shall remain liable also for the call until it has been paid. Liability where call remains unpaid.

(5) Where the letters patent, supplementary letters patent or by-laws of a corporation confer the power on the directors, they may decline to register a transfer of shares belonging to a shareholder who is indebted to the corporation. 1949, c. 52, s. 52. Where transferor indebted.

**54.** If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding 25 cents, and on such terms, if any, as to evidence and indemnity as the directors think fit. 1949, c. 52, s. 53. Lost certificate.

**55.** No transfer of shares, unless made by sale under execution or under the order or judgment of a competent court, shall, until entry thereof has been duly made, be valid for any purpose whatever, save only as exhibiting the rights of the parties thereto towards each other, and, if absolute, as rendering the transferee and the transferor jointly and severally liable to the corporation and its creditors until entry thereof has been duly made in the books of the corporation. 1949, c. 52, s. 54. Transfer valid only after entry.

**56.—**(1) The directors may, for the purpose of notifying the person registered therein as owner of such shares, refuse to allow the entry in any such books of a transfer of shares, and in that event shall forthwith give notice to the owner of the application for the entry of the transfer. Transferor may be notified.

Owner may lodge caveat.

(2) The owner may lodge a caveat against the entry of the transfer and thereupon the transfer shall not be made for a period of 48 hours.

Transfer may be entered if no order served.

(3) If no order of a competent court enjoining the entry of the transfer is served upon the corporation within one week from the giving of the notice or the expiration of the period of 48 hours, whichever last expires, the transfer may be entered.

Corporation not to be liable if section complied with.

(4) Where a transfer is entered after the proceedings mentioned in this section, the corporation shall, in respect of the shares so transferred, be free from liability to a person whose rights are purported to be transferred, but without prejudice to any claim which the transferor may have against the transferee. 1949, c. 52, s. 55.

Deposit of foreign probate, letters of administration, etc., with officer of corporation.

**57.**—(1) Subject to *The Succession Duty Act*, where,

(a) a transmission of shares or other securities of a corporation takes place by virtue of any testamentary act or instrument, or in consequence of an intestacy; and

(b) 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 is claimed to vest, purports to be granted by any court or authority in Canada, or in the Commonwealth, or in any foreign country,

Rev. Stat., c. 378.

the probate of the will or the letters of administration or the document testamentary or, in the case of a transmission by notarial will in the Province of Quebec, a copy thereof duly certified in accordance with the laws of Quebec, or the other judicial or official instrument, or an authenticated copy thereof or official extract therefrom under the seal of the court or other authority, without any proof of the authenticity of the seal or other proof whatever, shall be produced, and a true copy thereof, together with a declaration in writing showing the nature of the transmission, signed and executed by such one or more of the persons claiming by virtue thereof as the corporation may require, or, if any such person is a company, signed and executed by an officer thereof, shall be deposited with an officer of the corporation or other person authorized by the directors of the corporation to receive them.

(2) 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, deposit, guaranteed investment certificate, obligation or share, or transferring, or consenting to the transfer of any bond, debenture, deposit, guaranteed investment certificate, obligation or share, in pursuance of, and in conformity to such probate, letters of administration or other such document aforesaid, but the payment, transfer or consent to transfer, shall not be made unless and until the provisions of *The Succession Duty Act* are complied with. 1949, c. 52, s. 56. Transmission of interest on death. Securing payment of succession duty. Rev. Stat., c. 378.

INCREASE OR DECREASE OF CAPITAL STOCK  
AND SUBDIVISION OF SHARES

**58.**—(1) The directors of any provincial corporation may, at any time after 90 per cent of the permanent capital stock of the corporation has been subscribed and 90 per cent thereof paid in, but not sooner, by by-law provide for the increase of the permanent capital stock to any amount that the directors may consider requisite. Increase of permanent capital stock.

(2) The directors may at any time by by-law provide for the decrease of the permanent capital stock to any amount, not less than \$100,000, that they may consider sufficient. Decrease of permanent capital stock.

(3) The by-law shall declare the number and par value of the shares of the stock so increased or decreased and provide for the manner in which they are to be allotted, or the rule or rules by which the allotment is to be made. By-law to declare number and par value of new shares.

(4) The directors may pass a by-law providing upon terms therein stated for the conversion of partly paid up shares into paid up shares or for subdividing shares or altering the par value of shares of its permanent capital stock. Conversion of partly paid up shares.

(5) The liability of shareholders to persons who, at the time the stock or shares are so increased, decreased, converted or altered, are creditors of the corporation shall remain as though the stock or shares had not been increased, decreased, converted or altered. Rights of creditors preserved.

(6) Where it is proposed to pass a by-law under this section that will have the effect of increasing or decreasing the permanent capital stock of the corporation or altering the liability of any holder of such stock, a copy of the proposed by-law shall be delivered to the Registrar and shall not be passed for at least six weeks thereafter. Copy to Registrar.

Notice of by-law to shareholders.

(7) Before submission of any such by-law to a meeting of shareholders, as provided in subsection 8, such notice shall be given by publication and otherwise as the Registrar directs.

Such by-laws relating to stock to be confirmed by Order in Council.

(8) No by-law for, or having the effect of, increasing or decreasing the permanent capital stock of the corporation, whether such stock is or is not subscribed or issued, or for, or having the effect of, subdividing the shares of the corporation or altering the par value of such shares, or altering the liability of any holder of such shares, or converting partly paid up shares into paid up shares, shall have any force or validity until it has been duly adopted and ratified by a vote of shareholders present or represented by proxy at a general meeting of the corporation duly called for considering such by-law, and holding not less than two-thirds of the issued capital stock of the corporation represented at such meeting, and has afterwards been confirmed by the Lieutenant-Governor in Council.

When confirmation may be granted.

(9) The Lieutenant-Governor in Council may grant such confirmation, if he is satisfied of the *bona fide* character of the changes provided for in the by-law, unless it appears that the confirmation of the by-law would not be in the public interest.

Varying by-law on confirmation.

(10) With the consent of the corporation, evidenced by a resolution of the directors, the changes provided for in any such by-law may be varied or amended by the confirming Order in Council, and may be made subject to such conditions as the Lieutenant-Governor in Council may deem proper.

Evidence of confirmation by Lieutenant-Governor in Council.

(11) The confirmation by the Lieutenant-Governor in Council may be evidenced by a certificate of the Minister or by a certified copy of the Minister's certificate in the like manner and with the like effect as provided in sections 100 and 101.

Certificate to be conclusive.

(12) Such certificate shall be conclusive evidence of all matters therein certified or declared, and of the due performance of all matters precedent or preliminary to the granting thereof. 1949, c. 52, s. 57.

#### BOOKS

Record books to be kept, and contents thereof.

**59.**—(1) Every corporation having its head office in Ontario shall cause the secretary, or some other officer specially charged with the duty, to keep a book or books wherein shall be kept recorded,

- (a) a copy of the letters patent and of any supplementary letters patent issued to the corporation and, if incorporated by special Act, a copy of such Act, and the by-laws of the corporation duly authenticated;
- (b) the names, post office addresses, so far as known, of all persons who are or have been directors of the corporation, with the date on which each became and ceased to be a director;
- (c) the names, alphabetically arranged, of all persons who are shareholders of the corporation;
- (d) the post office address, so far as known, of every such person while he is a shareholder;
- (e) the number of shares held by each shareholder;
- (f) the amounts paid in, and remaining unpaid, on the shares of each shareholder; and
- (g) the date and other particulars of all transfers of shares in the order in which they were made.

(2) Such books shall be kept at the head office of the corporation. Books to be kept at head office.

(3) Any director, officer or employee of a corporation who removes or assists in removing such books from Ontario or who otherwise contravenes the provisions of this section shall be guilty of an offence and liable to a penalty of \$200. Penalty.

(4) Upon necessity therefor being shown and adequate assurance given that such books may be inspected within Ontario by any person entitled thereto after application for such inspection to the Registrar, the Lieutenant-Governor in Council may relieve any corporation from the provisions of subsection 2 upon such terms as he may see fit. Relief from operation of section.

(5) Such books shall, without the payment of any fee or charge, be open during business hours for inspection by any shareholder, depositor, debenture holder or holder of a guaranteed investment certificate, by himself, his agent or his personal representative, and any such person may make extracts therefrom. Books to be open for inspection.

(6) Every such corporation that neglects to keep such book or books shall be liable to forfeit its registry under this Act, and, if a provincial corporation, shall also be liable to forfeit its corporate franchise and rights. Forfeiture for neglect.

(7) No auditor, director, officer or servant of the corporation shall knowingly make or assist in making any untrue entry Penalty for false entries.



in any such book, or shall refuse or neglect to make any proper entry therein.

Liability for damages.

(8) Any person violating this section shall be liable in damages for all loss or injury that any person interested may have sustained thereby. 1949, c. 52, s. 58.

Register of securities.

**60.** Every corporation shall keep a register or registers of all securities held by the corporation. 1949, c. 52, s. 59.

Terminating Shares Book.

**61.**—(1) Every loan corporation in which and so long as there are any holders of terminating shares or stock shall keep a book, or books, to be known as the "Terminating Shares Book", in which shall be entered the name and address of every such shareholder, the number and amount of shares from time to time taken by him, and his several payments thereon, the interest or profits earned by his shares, also the repayments or the advances, if any, made by the corporation on account of his shares.

Entry of forfeiture.

(2) In any case of forfeiture of shares an entry shall be made thereof, with the date of the forfeiture. 1949, c. 52, s. 60.

Application of subss. 6 to 8 of s. 59.

**62.** Subsections 6 to 8 of section 59 shall apply to the registers prescribed by section 60 and subsections 5 to 8 of section 59 shall apply to the books prescribed by section 61. 1949, c. 52, s. 61.

Property in books of account.

**63.**—(1) The books used by any auditor, officer, collector or agent for verifying or recording money received for the corporation shall be the property of the corporation.

Idem.

(2) Neither the foregoing persons, nor any solicitor, counsel or other person shall have in or upon these or any other of the books of account or record of the corporation any ownership or proprietary right or any right of lien.

Penalty.

(3) Any person who, in contravention of this section, withdraws, withholds or detains any of such books from the possession or control of the directors, or from the receiver or liquidator of the corporation, shall be guilty of an offence. 1949, c. 52, s. 62.

After decease, bankruptcy, etc., of officer, books, etc., to be delivered to corporation.

**64.** Where a person who has been but has ceased to be a director, manager, auditor, officer, agent, collector, servant or employee of a corporation, or any other person unlawfully retains possession of any accounts, books, money, securities, papers, matters or things that are the property of the cor-

poration, a judge of the Supreme Court or of a county or district court, on application of the corporation or any depositor or shareholder therein or of the Registrar, and upon notice to the person affected, may order that such accounts, books, money, securities, papers, matters and things be forthwith delivered to such person as the judge may direct and in default that the person so retaining possession shall be imprisoned for such period as the judge may direct or until he complies with the direction of the order, and may authorize the sheriff of any county or district in which the same may be found forthwith to seize and take such accounts, books, money, securities, papers, matters and things and deliver the same to the person to whom they have been directed to be delivered. 1949, c. 52, s. 63.

**65.**—(1) In any action or proceeding against a corporation the books mentioned in sections 59 and 60 shall be *prima facie* evidence of the facts purported to be thereby stated. Books as evidence.

(2) The books of a corporation shall be *prima facie* evidence of the truth of all matters purporting to be therein recorded as between the corporation and its shareholders, and as between its shareholders. 1949, c. 52, s. 64. Idem.

AUDIT; STATEMENT TO SHAREHOLDERS

**66.**—(1) The accounts of a registered corporation shall be examined at least once in every year and the correctness of the balance sheet shall be ascertained by two or more auditors, who shall be accountants. Annual audit.

(2) The first auditors of a corporation may be appointed by the directors before the first meeting of the shareholders and shall hold office until the first general meeting. First auditors.

(3) Thereafter the auditors shall be appointed by resolution at a general meeting of the corporation and shall hold office until the next annual meeting unless previously removed by a resolution of the shareholders in general meeting. Appointment of auditors.

(4) The auditors may be shareholders in the corporation, but no person shall be eligible as an auditor who is interested otherwise than as a shareholder in any transaction of the corporation, and no director, officer or employee of the corporation shall be eligible during his continuance in office. Auditors may be shareholders.

(5) If an appointment of auditors is not made at an annual meeting, the Registrar may, on the application of any shareholder of the corporation, appoint an auditor of the corporation for the current year, and fix the remuneration, if any, to be paid to him by the corporation for his services. Registrar may appoint.

Directors may fill vacancies.

(6) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act, and any auditor shall be eligible for re-appointment.

Suspension of auditors.

(7) The directors may, by a two-thirds vote, suspend any auditor for incapacity, misconduct or negligence until the next general meeting of the corporation, and in the event of suspension shall appoint an auditor *ad interim*.

Remuneration of auditors.

(8) The remuneration of the auditors shall be fixed by the corporation in general meeting, except that the remuneration of any auditors appointed before the first general meeting or to fill any casual vacancy may be fixed by the directors.

Auditor's right of access to books.

(9) Every auditor shall have right of access at all times to the books and accounts, cash, securities, documents and vouchers of the corporation, and shall be entitled to require from the directors and officers of the corporation such information and explanation as he may require.

Checking cash and verifying securities.

(10) It shall be the duty of the auditors, at least once during their term of office, to check the cash and verify the securities of the corporation at the chief office of the corporation, against the entries in regard thereto in the books of the corporation, and, should they deem it necessary, to check and verify in the same manner the cash and securities at any branch or agency.

Report to shareholders.

(11) The auditors shall make report to the shareholders,

- (a) that they have examined the books for the year ending 31st day of December and have verified the cash, bank balances and securities of the corporation and stating whether or not their requirements as auditors have been complied with;
- (b) that they have examined the statement and that it agrees with the books of the corporation;
- (c) that after due consideration they have formed an independent opinion as to the position of the corporation;
- (d) that with their independent opinion so formed and according to the best of their information and the explanations given them they certify that in their opinion the statement sets forth fairly and truly the state of the affairs of the corporation;

(e) that all transactions of the corporation that have come within their notice have been within the powers of the corporation. 1949, c. 52, s. 65.

**67.**—(1) Every corporation shall at least once in every year cause to be prepared a general statement of its affairs in the form prescribed by the Registrar. Annual statement to shareholders.

(2) Every such statement shall have on the head thereof a printed notice in conspicuous type stating that the statement is the statement of the corporation. to state that it is corporation's statement;

(3) Every such statement shall be attested by the signature of the president or vice-president and the managing director or some other principal officer of the corporation and shall contain a certificate signed by the auditors reporting as provided in section 66. attesting and verifying;

(4) A copy of such statement shall be mailed or delivered without charge to every shareholder of the corporation at least 10 days before the annual meeting. to be mailed or delivered to shareholders;

(5) A copy of such statement shall be mailed or delivered without charge to any debenture holder, holder of guaranteed investment certificate or depositor of the corporation who requests the same. 1949, c. 52, s. 66. to debenture holders, etc.

BORROWING POWERS OF LOAN AND LOANING LAND CORPORATIONS

**68.** Sections 69 to 74 shall apply to every loan corporation and loaning land corporation incorporated under the law of Ontario or having its head office in Ontario, and also to every loan corporation borrowing in Ontario by taking deposits or issuing debentures or like obligations, and to every loaning land corporation so borrowing by issuing debentures or like obligations. 1949, c. 52, s. 67. Application of ss. 69 to 74.

**69.**—(1) No corporation constituted with joint stock capital, unless and until it has a subscribed permanent stock of at least \$300,000 on which at least \$100,000 has been actually paid in and is unimpaired, and no corporation constituted without joint stock capital, unless and until it has a paid up, unimpaired, permanent and non-withdrawable capital of at least \$100,000, shall exercise any of the borrowing powers conferred by this Act. Amount of capital to be subscribed and paid before borrowing.

(2) Where a corporation constituted with joint stock capital has subscribed permanent stock of at least \$300,000 on which at least \$100,000 has been actually paid in and is unimpaired, Borrowing powers.

or where a corporation constituted without joint stock capital has a paid up, unimpaired, permanent and non-withdrawable capital of at least \$100,000, subject to the limitations and restrictions contained in this Act, the directors, pursuant to powers conferred in that behalf by any by-laws or rules of the corporation passed at any general meeting, called with due notice of such proposed by-laws and rules, may borrow money on behalf of the corporation at such rates of interest, and upon such terms as they from time to time think proper, and may for that purpose, subject as hereinafter provided, receive money on loan or on deposit, other than and in addition to money received in respect of shares of the corporation, and issue terminable debentures, bonds and other obligations, as well as execute mortgages under the seal of the corporation, for sums of not less than \$100 each, or may assign, transfer or deposit by way of equitable mortgage or otherwise, for the sum so borrowed, any of the documents of title, deed, muniments, securities or property of the corporation, and either with or without power of sale or other special provisions, as they deem expedient. 1949, c. 52, s. 68.

Loan corporation receiving money on deposit.

**70.**—(1) A corporation shall not, without the express consent of the shareholders given at a general meeting called with due notice of the proposal, receive money on deposit, otherwise than in respect of shares of the corporation, and when money is otherwise received on deposit the same shall, for the purposes of this Act, be deemed to be money borrowed by the corporation, and with interest thereon as agreed shall be repayable by the corporation either at a time certain, or upon notice, not being less than 30 days, unless notice, or such notice, is waived.

Loaning land corporation.

(2) A loaning land corporation shall not be entitled to receive deposits.

Ranking of creditors on deposits.

(3) In respect of deposits, creditors shall rank upon the assets of the corporation *pari passu* with the holders of debentures.

Limit of deposits.

(4) The amount to be received by any corporation entitled to receive deposits shall not at any time exceed an amount equal to twice the aggregate amount of the then actually paid in and unimpaired permanent capital and of the then actual reserve fund of the corporation plus the amount of its cash actually in hand or in any chartered bank to the credit of the corporation and beneficially owned by the corporation and not included in either the permanent capital or reserve fund; provided that subject to the limitation set out in subsection 2 of section 73, the Lieutenant-Governor in Council

may, upon such terms and conditions as may be prescribed, increase the amount of deposits that may be received by any such corporation.

(5) No dividend or bonus shall be paid or declared either wholly or in part out of the reserve fund that has the effect of diminishing such aggregate below the amount required by this Act for the borrowings of the corporation. 1949, c. 52, s. 69.

Dividends, etc., not to be paid out of reserve.

**71.** No by-law for any of the purposes mentioned in sections 69 and 70 shall take effect until it is confirmed by a vote of shareholders present or represented by proxy at a general meeting of the corporation duly called for considering such by-law, and holding not less than two-thirds of the issued capital stock of the corporation represented at such meeting. 1949, c. 52, s. 70.

Confirming by-law.

**72.** Every loan corporation shall at all times maintain cash on hand and on deposit, debentures, bonds, stock or other securities of a kind referred to in section 145, and loans payable on demand and fully secured by such securities, to an aggregate amount of at least 20 per cent of the amount of money deposited with the corporation. 1949, c. 52, s. 71.

Reserves required on deposits.

**73.**—(1) Debentures shall be for such sums, not being less than \$100, and in such currency as the directors deem advisable, and shall be payable not less than one year from the issue thereof, at such place as may be therein mentioned.

Denomination and term of debentures.

(2) The total amount borrowed by a corporation on debentures and other securities and by way of deposits shall not exceed four times the aggregate amount of the then actually paid in and unimpaired permanent capital and of the then actual reserve fund of the corporation, plus the amount of its cash actually on hand or in any chartered bank of Canada, to the credit of the corporation and beneficially owned by the corporation and not included in either the permanent capital or reserve fund, provided that the Lieutenant-Governor in Council may, on the report of the Registrar, and upon such terms and conditions as may be prescribed, increase the amount which may be borrowed, to a sum not exceeding 10 times the aggregate amount from time to time of such permanent capital and reserve fund plus cash. 1949, c. 52, s. 72.

Limit of borrowing powers of loan corporations.

**74.** In ascertaining the extent of the borrowing powers of a corporation all loans or advances to its shareholders upon the security of their shares shall be deducted from the amount of the paid in capital. 1949, c. 52, s. 73.

Deduction to be made in estimating the paid in capital.

## POWERS OF TRUST COMPANIES

Powers  
conferred  
on trust  
companies.

**75.** Subject to sections 78, 79 and 80, a provincial trust company may and any other registered trust company that has capacity to do so may,

- (a) take, receive and hold all estates and real and personal property that may be granted, committed, transferred or conveyed to the company with its consent, upon any trust or trusts whatsoever not contrary to law, at any time or times, by any person or persons, body or bodies corporate, or by any court of competent jurisdiction;
- (b) take and receive as trustee or as bailee, upon such terms and for such remuneration as may be agreed upon, deeds, wills, policies of insurance, bonds, debentures or other valuable papers or securities for money, jewelry, plate or other chattel property of any kind, and to guarantee the safe keeping of the same;
- (c) receive and store for safe keeping all kinds of securities and personal property and rent spaces or compartments for the storage of securities or personal property and enter into all legal contracts for regulating the terms and conditions upon which such business shall be carried on;
- (d) act generally as attorney or agent for the transaction of business, the management of estates, the collection of loans, rents, interest, dividends, debts, mortgages, debentures, bonds, bills, notes, coupons and other securities for money;
- (e) act as agent for the purpose of issuing or countersigning certificates of stock, bonds or other obligations of any association or municipal or other corporation, and to receive, invest and manage any sinking fund therefor on such terms as may be agreed upon;
- (f) accept and execute the offices of executor, administrator, trustee, receiver, liquidator, assignee, custodian, trustee in bankruptcy, or of trustee for the benefit of creditors, and of guardian of any minor's estate, or committee of any mentally incompetent person's estate, and to accept the duty of and act generally in the winding up of estates, partnerships, companies and corporations;
- (g) invest any trust money in the hands of the company in any securities in which private trustees may by law invest trust money;

(h) guarantee any investment made by the company as trustee, agent or otherwise;

(i) sell, pledge or mortgage any mortgage or other security, or any other real or personal property held by the company, and make and execute all requisite conveyances and assurances in respect thereof;

(j) make, enter into, deliver, accept and receive all deeds, conveyances, assurances, transfers, assignments, grants and contracts necessary to carry out the purposes of the company, and promote its objects and business;

(k) charge, collect and receive all proper remuneration, legal, usual and customary costs, charges and expenses for all such services, duties and trusts. 1949, c. 52, s. 74.

**76.**—(1) In this section, “common trust fund” means a fund maintained by a trust company in which moneys belonging to various estates and trusts in its care are combined for the purpose of facilitating investment. Interpretation.

(2) Notwithstanding this or any other Act, any provincial trust company and any other registered trust company that has capacity to do so may, unless the trust instrument otherwise directs, invest trust money in one or more common trust funds of the company and where trust money is held by the company as a co-trustee, the investment thereof in a common trust fund may be made by the company with the consent of its co-trustees whether the co-trustees are individuals or corporations. Common trust funds authorized.

(3) The Lieutenant-Governor in Council may make regulations with respect to the establishment and operation of common trust funds and the investment of trust money in such funds. 1950, c. 38, s. 2, *part*. Regulations.

**77.** A provincial trust company shall not have power to take deposits by way of borrowing money. 1949, c. 52, s. 75. Trust companies not to borrow by accepting deposits.

**78.**—(1) Subject to section 134, a provincial trust company, and any other registered trust company that has capacity to do so, may receive deposits of money repayable upon demand or after notice and may pay interest thereon at such rates and on such terms as the company may from time to time establish, and the company shall be entitled to retain the interest and profit resulting from the investment or loaning of such deposit money in excess of the amount of interest payable to depositors. Deposits, power to receive;



to be deemed trust moneys and to be guaranteed;

(2) Every trust company receiving deposits in the manner authorized by subsection 1 shall be deemed to hold the same as trustee for the depositors and to guarantee repayment thereof, and there shall be ear-marked and definitely set aside in respect thereof securities, or cash and securities, equal to the full aggregate amount thereof, and for the purposes of this subsection "cash" includes moneys on deposit and "securities" includes loans made upon securities.

record of.

(3) Every trust company receiving moneys on deposit under this section shall keep a record in the form approved by the Registrar, in which shall be entered all sums so received and the names and addresses, so far as known, of the persons from whom they are received. 1949, c. 52, s. 76.

Debentures.

**79.** A provincial trust company shall not have power to borrow money by issuing debentures. 1949, c. 52, s. 77.

Money for investment.

**80.**—(1) Subject to section 134, a provincial trust company, and any other registered trust company that has capacity to do so, may receive money for the purpose of its being invested by the company, and may guarantee the repayment of money so received and the payment of the interest thereon at such rate as may be agreed upon on fixed days.

Guarantee.

(2) Such guarantee by the company shall not be deemed to be a debenture and the money shall not be deemed to be money borrowed by the company by issuing debentures but to be money received in trust, and in such cases, the company shall be entitled to retain the interest and profits resulting from the investment or loaning of such moneys in excess of the amount of interest payable thereon.

Securities allocated to guaranteed investment.

(3) Where it is provided by the agreement under which moneys are received by the company for guaranteed investment as mentioned in subsection 1 that specific securities shall be allocated in respect thereof, such securities shall be ear-marked and definitely set aside in respect thereof, and in respect of all other moneys received for guaranteed investment as mentioned in subsection 1 there shall be ear-marked and definitely set aside in respect thereof securities, or cash and securities, equal to the full aggregate amount thereof, and for the purposes of this subsection "cash" includes moneys on deposit and "securities" includes loans made upon securities. 1949, c. 52, s. 78.

Extent of liability.

**81.**—(1) The liability of a trust company to persons interested in an estate held by the company as executor, administrator, trustee, receiver, liquidator, assignee, guardian,

or committee shall be the same as if the estate had been held by any private person in the like capacity, and the company's powers shall be the same.

(2) Where a trust company is authorized to execute the office of executor, administrator, trustee, receiver, liquidator, assignee, guardian or committee, and the Lieutenant-Governor in Council approves of the company being accepted as a trust company for the purposes of the Supreme Court, every court or judge having authority to appoint such an officer may, with the consent of the company, appoint the company to exercise any of such offices in respect of any estate or person under the authority of such court or judge, or may grant to the company probate of any will in which the company is named as an executor; but no company that has issued or has authority to issue debentures or debenture stock, or which has received or has authority to receive deposits, except in the manner authorized by this Act, shall be approved.

Approval of company as executor, etc.

(3) A trust company so approved may be appointed to be a sole trustee, notwithstanding that but for this Act it would be necessary to appoint more than one trustee.

Appointment of company as sole,

(4) A trust company so approved may be appointed to any of the offices mentioned in subsection 2 jointly with another person.

or joint trustee.

(5) Such appointment may be made whether the trustee is required under any deed, will or document creating a trust or whether the appointment is under *The Trustee Act* or otherwise.

When appointment may be made by court.  
Rev. Stat., c. 400.

(6) Notwithstanding any rule or practice or any provision of any Act requiring security, it shall not be necessary for the company to give any security for the due performance of its duty as such executor, administrator, trustee, receiver, liquidator, assignee, guardian or committee unless otherwise ordered.

Security not required.

(7) The Lieutenant-Governor in Council may at any time revoke the approval given under this section. 1949, c. 52, s. 79.

Revocation of approval.

**82.** Every trust company shall at all times maintain cash on hand and on deposit, debentures, bonds, stocks or other securities of a kind referred to in subsection 3 of section 144 and loans payable on demand and fully secured by such securities, to an aggregate amount of at least 20 per cent of the amount of money deposited with the company in the manner authorized by subsection 1 of section 78. 1949, c. 52, s. 80.

Reserves required on deposits.

## GENERAL POWERS

Powers of corporation as to benefit funds, etc., for employees and their families.

**83.**—(1) Every corporation may establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, or its predecessors in business, or the dependants or connections of such persons, and to grant pensions and allowances and make payments towards insurance or for any object similar to those set forth in this subsection, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object.

Declaration as to powers of corporation.

(2) Every provincial corporation shall be deemed to have possessed since the date of its incorporation the powers set forth in subsection 1 including the power to exercise such powers jointly with any registered corporation, by whatever authority incorporated, possessing the same or similar powers, in such a way as to benefit the employees, or ex-employees, of such corporations or predecessors in business of such corporations or dependants or connections of such persons. 1949, c. 52, s. 81.

Suspension or revocation of charter.

**84.** The charter or other instrument of incorporation of a corporation may at any time, for cause shown to his satisfaction, be suspended or revoked by the Lieutenant-Governor in Council. 1949, c. 52, s. 82.

Capacity of corporations.

**85.** Every provincial corporation shall, unless it is otherwise expressly declared in the Act or instrument creating it, have and be deemed from its creation to have had the general capacity that the common law ordinarily attaches to corporations created by charter. 1949, c. 52, s. 83.

Extension of business beyond the Province.

**86.**—(1) Where the existence or operation of a provincial corporation is not by the Act or instrument creating it, limited in time or area the corporation may, in general meeting of the shareholders called for the purpose by notice duly given, pass a by-law authorizing its directors to extend the business of the corporation beyond Ontario, but in compliance with the law of the place to which the business may be so extended, and the directors may give effect to such by-law without being liable or responsible for any breach of trust in so doing.

Erection or purchase of buildings required for use of corporation.

(2) Where, as provided in this section, a provincial corporation carries on business outside of Ontario, the corporation may in general meeting of the shareholders called for the purpose by notice duly given, pass a by-law authorizing

the directors to invest the money of the corporation in the erection or purchase of buildings required for the occupation of the corporation in any place where the corporation is so carrying on business and in conformity with the law of such place. 1949, c. 52, s. 84.

**87.** A corporation may maintain a reserve fund out of its earnings or other income not required to meet its present liabilities. 1949, c. 52, s. 85.

**88.**—(1) A corporation may pass a by-law prohibiting the loaning to shareholders upon the security of their shares, or, subject to the limitations contained in this section, may pass a by-law fixing the aggregate amount that may be loaned on such shares, and neither of such by-laws shall be repealed until all liabilities of the corporation are discharged.

(2) Subject to subsection 1, the corporation may lend upon its own paid up stock to an amount not exceeding at any one time in the aggregate of all such loans 10 per cent of the corporation's paid up stock.

(3) No such loan shall exceed 80 per cent of the market price of the stock. 1949, c. 52, s. 86.

**89.** A corporation shall not, except in the manner provided by section 88, lend on its own shares with or without collateral security. 1949, c. 52, s. 87.

**90.**—(1) No corporation, and no director, officer or employee thereof, either personally or on behalf of such corporation, and no other company the majority of the capital stock of which is owned or controlled by such corporation, its shareholders, directors, officers or employees, shall, either directly or indirectly, transact the business of or act as insurance agent or broker within the meaning of *The Insurance Act*, or exercise pressure upon any borrower or mortgagor to place insurance for the security of such corporation, in or through any particular agency or brokerage office; provided that nothing in this section shall prevent such corporation from stipulating in its contract of loan that any required insurance must be effected with an approved insurer.

(2) Subsection 1 shall not apply to the director of a corporation who is able to satisfy the Superintendent of Insurance that the business of insurance is his major occupation. 1949, c. 52, s. 88.

Minors  
may make  
deposits.

**91.** A person not of the full age of 21 years may deposit money with a registered corporation in his own name, and the same may be repaid to him, and he may give a valid discharge therefor, notwithstanding his minority. 1949, c. 52, s. 89.

Trusts.

**92.—(1)** A corporation shall not be bound to see to the execution of any trust, whether express, implied or constructive, to which any share of its stock, or any deposit, guaranteed investment certificate or debenture may be subject.

Sufficient  
discharge.

(2) The receipt of the person in whose name any such share, deposit, guaranteed investment certificate or debenture stands in the books of the corporation shall be a sufficient discharge to the corporation for any payment made in respect thereof, and a direction to transfer, signed by the person in whose name any such share, deposit, guaranteed investment certificate or debenture stands in the books of the corporation, shall be sufficient authority to the corporation for any transfer made in respect thereof, notwithstanding any trust to which the same may then be subject and whether the corporation has or has not had notice of the trust.

Application  
of money  
paid.

(3) A corporation shall not be bound to see to the application of the money paid upon such receipt. 1949, c. 52, s. 90.

Power of  
attorney by  
corporation.

**93.** A provincial corporation may, by writing under its seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute on its behalf, deeds to which it is a party in any capacity in any place situate within or without Ontario, and every deed signed by such attorney, on behalf of the corporation and under his seal, shall bind the corporation and have the same effect as if it were under the seal of the corporation. 1949, c. 52, s. 91.

Official  
seal for use  
abroad.

**94.—(1)** A provincial corporation may have a seal to be known as the "official seal" for use in any territory, district or place not situate in Ontario, which shall be a facsimile of the seal of the corporation, with the addition on its face of the name of the territory, district or place where it is to be used.

Authority  
to agent to  
affix seal.

(2) A corporation having an official seal may, by writing under its seal, authorize any person appointed for the purpose in any territory, district or place not situate in Ontario, to affix the same to any deed or other document to which the company is party in any capacity in that territory, district or place.

Certifying  
date and  
period of  
sealing.

(3) The person affixing an official seal shall, by writing under his hand, on the deed or other document to which the seal is affixed, certify the date and place of affixing the same.

(4) A deed or other document to which an official seal is duly affixed shall bind the corporation as if it had been sealed with the seal of the corporation. 1949, c. 52, s. 92. Effect of official seal.

AMALGAMATION OF CORPORATIONS AND PURCHASE AND SALE OF ASSETS

**95.**—(1) Any registered loan corporation or loaning land corporation may unite, merge, amalgamate and consolidate its stock, property, business and franchises with those of any other loan corporation or loaning land corporation in Canada, or may purchase the assets of any such corporation, or may sell its assets to any registered corporation, and for the purpose of carrying out such purchase or sale the purchasing corporation shall assume the liabilities of the vendor corporation, and may enter into such bond or agreement of indemnity with the corporation or the individual shareholders thereof, or both, as may be necessary, and the corporations may enter into the contracts and agreements necessary to such union, merger, amalgamation, consolidation, sale or purchase. Power to unite with other corporations and to purchase or sell assets.

(2) Sections 96 to 103 shall not apply to the purchase by a registered extra-provincial corporation of the assets of a corporation that is not registered under this Act. 1949, c. 52, s. 93. Sections 96-103 not to apply.

**96.**—(1) The directors of any corporation mentioned in section 95 may enter provisionally into a joint agreement under the seal of each of the corporations for the union, merger, amalgamation or consolidation of the corporations, or for the sale or purchase by the one corporation of the assets of the other corporation. Directors may make agreement for amalgamation or for purchase or sale of assets.

(2) The agreement shall prescribe the terms and conditions of the proposed transaction, and the mode of carrying the same into effect. Matters to be specified in agreement.

(3) If the two corporations are to be merged into one corporation, the agreement shall specify the name of the new or of the continuing corporation, and the number of directors and the officers thereof, and shall state who are to be the first directors and officers, the capital stock, the number of shares into which such stock is divided, the par value of the shares and the manner of converting the capital stock of each of the existing corporations into that of the new or continuing corporation. Idem.

(4) The agreement shall contain such other details as the directors of the corporations deem necessary to perfect the new organization, and the union, merger, amalgamation and consolidation, and the after management and working thereof, Other details.

and to complete the terms and mode of payment for the assets of one corporation purchased or acquired by the other.

Consideration.

(5) In any agreement for the purchase and sale of assets, the consideration may consist wholly or in part of partly paid or of paid up shares of the permanent capital stock of the purchasing corporation.

Agreement to be subject to approval of shareholders.

(6) Such agreement, or if no agreement has been entered into but an offer has been made by a corporation under its seal for the purchase of the assets of another corporation, such offer shall be submitted to the shareholders of each corporation at a meeting thereof to be held separately for the purpose of taking the agreement or the offer into consideration.

Notice of meeting to consider agreement.

(7) Notice of the time and place of the meeting of the corporation in which he holds shares and the objects thereof shall be given by written or printed notice addressed to every shareholder, together with a copy of the proposed agreement, at his last known post office address, and also by a general notice in a newspaper published at the chief place of business of the corporation once a week for six successive weeks.

Notice to Registrar.

(8) A like notice, together with two copies of the proposed agreement, shall be delivered to the Registrar at least one month before the date of either of the meetings of shareholders called to consider it. 1949, c. 52, s. 94.

Proceedings to ratify agreement.

**97.** At each of the meetings of shareholders the agreement or offer shall be considered, and if at each meeting the agreement or offer is ratified or accepted by resolution passed by at least a three-fourths vote of such shares as are represented in person or by proxy and representing at least 50 per cent of the issued capital stock of the corporation, that fact shall be certified upon the agreement or offer by the secretary or manager under the seal of the corporation. 1949, c. 52, s. 95.

Dispensing with ratification.

**98.** The Lieutenant-Governor in Council, in the case of a proposed purchase of assets, may dispense with the ratification or acceptance of the agreement or offer by the shareholders of the purchasing corporation where it is shown to his satisfaction that the shareholders, after due notice thereof, have ratified a general resolution or by-law authorizing the purchase of the assets of any loan corporation upon the basis and within the limits specified in such agreement or offer. 1949, c. 52, s. 96.

Ratified agreement to be filed with Registrar.

**99.—(1)** If the agreement is ratified or the offer is accepted at the meeting of the shareholders of each of the corporations, or in the case provided for in section 98 at the meeting of the

shareholders of the selling corporation, the agreement or offer, with the certificates or certificate thereon, shall be filed with the Registrar.

(2) The Registrar shall submit the agreement or offer for the assent of the Lieutenant-Governor in Council.

(3) If the Lieutenant-Governor in Council assents thereto, the agreement or offer shall be deemed to be the agreement and act of union, amalgamation and consolidation of the corporations, or the agreement and deed of purchase and acquisition of the assets of the selling corporation by the purchasing corporation. 1949, c. 52, s. 97.

**100.**—(1) Upon proof that the foregoing requirements have been duly complied with the Minister shall issue a certificate under his hand and seal certifying the assent of the Lieutenant-Governor in Council and the date thereof, and declaring the purchase and the sale of the assets and the names of the corporations parties thereto, or, in the case of amalgamation, declaring the amalgamation of the corporations, naming them, and the name of the new or of the continuing corporation, together with such other matters, if any, as may appear to him necessary or desirable in the public interest.

(2) The certificate of the Minister shall for all purposes and in all courts be conclusive evidence of all matters therein certified or declared.

(3) The Registrar shall give public notice in *The Ontario Gazette* of the issue of the Minister's certificate.

(4) It shall be sufficient to register a certified copy of the Minister's certificate in each registry division or land titles office in which instruments affecting lands or interests in lands included or intended to be included in the transfer or amalgamation, are registered.

(5) The fee payable for the registration shall be \$1 if the certificate is five folios or less, and ten cents for each additional folio.

(6) Any document under the hand or purporting to be under the hand of the Registrar, certifying the document to be or to contain a true copy of the Minister's certificate or of any instrument referred to in the certificate, shall be registered in any registry division by the registrar thereof or by the master or local master of titles upon the same being tendered to him for registration accompanied by the proper fee.



Registration  
in general  
register.

(7) The certificate shall be entered in the general register of the registry division or in the book kept in the land titles office.

Certified  
copies of  
certificate.  
Rev. Stat.,  
c. 107.

(8) Copies so certified of any such certificate or instrument shall be received by the master of titles and local masters of titles, under *The Land Titles Act*, as conclusive evidence of all matters therein certified or declared.

Bills of  
sale and  
chattel  
mortgages.

Rev. Stat.,  
c. 36.

(9) For the purpose of any instrument required to be registered or filed under *The Bills of Sale and Chattel Mortgages Act*, it shall be sufficient in order to show the transmission of title in respect of any personal property or interest in personal property included or intended to be included in a transfer or amalgamation, such as is mentioned in section 99 and this section, if the instrument affecting such property or interest recites the certificate registered as provided in subsection 4 and states the registry division in which the same is registered and its registration number.

Application  
of section.

(10) This section shall extend to and include any such certificate or certified copy issued or purporting to have been issued after the 13th day of April, 1897, under *The Loan Corporations Act*, being chapter 205 of the Revised Statutes of Ontario, 1897. 1949, c. 52, s. 98.

Evidence of  
assent of the  
Lieutenant-  
Governor  
in Council.

**101.** The Registrar may, by a certificate under his hand and seal endorsed upon or identifying the agreement or offer mentioned in subsection 6 of section 96, or any counterpart or copy thereof, certify that the agreement or offer has been assented to by the Lieutenant-Governor in Council, and his certificate with a copy of the Order in Council attached shall be *prima facie* evidence of such assent. 1949, c. 52, s. 99.

Assets of  
selling  
corporation  
to vest in  
purchasing  
corporation.

**102.**—(1) In the case of a purchase and sale of assets so assented to, the assets of the selling corporation shall become vested in the purchasing corporation on and from the date of such assent without any further conveyance, and the purchasing corporation shall thereupon become and be responsible for the liabilities of the selling corporation.

Disposal of  
assets by  
purchasing  
corporation.

(2) In dealing with the assets of the selling corporation it shall be sufficient for the purchasing corporation to recite the agreement and the assent of the Lieutenant-Governor in Council thereto, with the date of the assent.

Rights of  
creditors.

(3) No such transfer shall affect the rights of any creditor of the transferring corporation.

(4) By every such agreement made or purporting to be made under this Act the purchasing corporation shall be deemed to covenant and agree with each creditor of the selling corporation that the purchasing corporation will pay to him the sum in which the selling corporation is indebted to him at such time and place as such sum would have been payable had such agreement not been made.

Privity of contract between purchasing corporation and each creditor of selling corporation.

(5) Where the Lieutenant-Governor in Council assents to an agreement for the sale of the assets of a corporation, or to an agreement for the amalgamation of two or more corporations, the selling corporation, or the several corporations amalgamated, as the case may be, shall, from the date of the assent, be dissolved except so far as is necessary to give full effect to the agreement. 1949, c. 52, s. 100.

Dissolution of selling corporation and of corporations amalgamated.

**103.**—(1) In the case of an amalgamation, the corporations parties thereto shall, from the date of the assent of the Lieutenant-Governor in Council, be consolidated and amalgamated and be merged in and form one corporation by the name stated in the Minister's certificate, and shall, subject to the law of Ontario, possess all the rights, privileges and franchises of each of the amalgamated corporations.

Property and rights of both companies vested in new corporation.

(2) From the date of the assent all the business, real and personal property, and all the rights and incidents appurtenant thereto, all stock, mortgages, or other securities, subscriptions and other debts due, and other things in action belonging to each of the corporations shall be vested in the new or continuing corporation without further act or deed.

Business and property vested in new corporation.

(3) All rights of creditors and liens upon the property of each of the corporations shall be unimpaired by the amalgamation.

Creditors' rights.

(4) All debts, liabilities and duties of each of the amalgamated corporations shall thenceforth attach to the new or continuing corporation, and may be enforced against it to the same extent as if the same had been incurred or contracted by it. 1949, c. 52, s. 101.

Debts and liabilities.

**104.**—(1) In this section, "fiduciary" includes trustee, bailee, executor, administrator, assignee, guardian, committee, receiver, liquidator or agent, and "instrument" includes every will, codicil, or other testamentary document, settlement, instrument of creation, deed, mortgage, assignment, Act of the Legislature, and a judgment, decree, order, direction and appointment of any court, judge, or other constituted authority.

Interpretation.

Power of trust companies to unite with other corporations and to purchase or sell assets.

(2) Any registered trust company may unite, merge, amalgamate and consolidate its stock, property, business and franchises with those of any other trust company in Canada or may purchase the assets of any corporation in Canada or may sell its assets to any registered trust company, and for the purpose of carrying out such purchase or sale the purchasing corporation shall assume the liabilities of the vendor corporation, and may enter into such bond or agreement of indemnity with the vendor corporation or the individual shareholders thereof, or both, as may be necessary, and the corporations may enter into the agreements necessary to such union, merger, amalgamation, consolidation, sale or purchase, and subsection 2 of section 95 and sections 96 to 103 shall apply *mutatis mutandis* thereto.

Where trust company purchases assets of loan corporation.

(3) In the case of a purchase of the assets of a loan corporation by a trust company pursuant to subsection 2, the trust company shall definitely set aside in respect of any debentures and deposits of the loan corporation of which the trust company assumes payment, securities, or cash and securities, equal to the aggregate amount of such debentures and deposits, and for the purposes of this subsection "cash" includes moneys on deposit and "securities" includes loans made upon securities.

Trusts to pass to new companies.

(4) On and from the assent of the Lieutenant-Governor in Council, as provided in subsection 1 of section 100, to the purchase and sale, or to the amalgamation, all trusts of every kind and description, including incomplete or inchoate trusts, and every duty assumed by or binding upon either of the corporations, parties to the purchase and sale, or to the amalgamation, shall be vested in and bind and may be enforced against the purchasing or new or continuing corporation as fully and effectually as if it had been originally named as the fiduciary in the instrument.

Subject matter of trust to vest in new company.

(5) Whenever in any instrument any estate, money or other property, or any interest, possibility or right is intended at the time or times of the publishing, making or signing of the instrument to be thereafter vested in or administered or managed by or put in the charge of the selling corporation or of either of the amalgamated corporations as the fiduciary, the name of the new or continuing corporation shall be deemed to be substituted for the name of the old corporation, and such instrument shall vest the subject matter therein described in the new or continuing corporation according to the tenor of, and at the time indicated or intended by the instrument, and the new or continuing corporation shall be deemed to stand in the place and stead of the old corporation.

(6) Where the name of the selling corporation or of either of the amalgamated corporations appears as executor, trustee, guardian, or curator in a will or codicil, such will or codicil shall be read, construed and enforced as if the new or continuing corporation was so named therein, and it shall, in respect of the will or codicil, have the same status and rights as the selling or amalgamating corporation. References in will or codicil.

(7) In all probates, administrations, guardianships, curatorships or appointments of administrator or guardian *ad litem* issued or made by any court of Ontario to the selling corporation or to either of the amalgamated corporations, from which at the date of such assent it had not been finally discharged, the new or continuing corporations shall *ipso facto* be substituted therefor. 1949, c. 52, s. 102. Duties of old corporation not completed.

REGISTRAR

**105.**—(1) There shall be a Registrar and an assistant registrar who shall be appointed by the Lieutenant-Governor in Council. Appointment.

(2) The assistant registrar shall perform the duties of the Registrar in the case of the latter's absence or illness, or of a vacancy in the office of Registrar, and shall also perform such other duties as may be assigned to him by the Lieutenant-Governor in Council, by the Minister or by the Registrar. Assistant registrar, duties of.

(3) Without the leave of the Attorney-General, no action or proceeding shall be brought or taken against the Registrar or assistant registrar for anything done or omitted in the performance, or intended or supposed performance, of his duty under this Act. 1949, c. 52, s. 103. Actions against Registrar.

**106.** The Registrar shall have a seal of office, which shall bear upon its face the words "Registrar of Loan and Trust Corporations". 1949, c. 52, s. 104. Official seal.

**107.**—(1) The Registrar shall keep, Registers.

(a) a register to be called the "Loan Companies' Register", wherein shall be recorded the names of such loan corporations as are from time to time entitled to registry; Loan Companies' Register.

(b) a register to be called the "Loaning Land Companies' Register", wherein shall be entered the names of such loaning land corporations as are from time to time entitled to registry; and Loaning Land Companies' Register.

Trust Companies' Register.

(c) a register to be called the "Trust Companies' Register", wherein shall be entered the names of such trust companies as are from time to time entitled to registry.

No corporation to be registered on more than one register.

(2) A corporation shall not be registered on more than one of such registers, and shall not transact or undertake business in Ontario other than the business for which it is registered. 1949, c. 52, s. 105.

Duties of Registrar.

**108.**—(1) The duty of determining, distinguishing and registering the corporations that under this Act are required to be registered and are entitled to registry, and of granting registry accordingly, shall devolve upon the Registrar subject to appeal as provided in section 122.

Power to require evidence.

(2) For the purposes of his duties the Registrar may require to be made, or may take and receive affidavits or depositions, and may examine witnesses upon oath.

Employment of stenographer.

(3) The evidence and proceedings in any matter before the Registrar may be reported by a stenographer who has taken an oath before the Registrar faithfully to report the same. 1949, c. 52, s. 106.

Annual report.

**109.**—(1) The Registrar shall prepare for the Minister from statements filed by the corporations and from any inspection or inquiries made, an annual report, showing particulars of the business of each corporation as ascertained from such statements, inspection and inquiries, and the report shall be printed and published forthwith after completion.

Only authorized investments allowed as assets.

(2) In the report the Registrar shall allow as assets only such of the investments of the several corporations as are authorized by this Act or by their Acts of incorporation or by the general Acts applicable to such investments.

Corrections in annual statements.

(3) In the report the Registrar shall make all necessary corrections in the annual statements made by the corporations herein provided and shall be at liberty to increase or diminish the assets or liabilities of the corporations to the true and correct amounts thereof as ascertained by him in the examination of their affairs at the head office or any branch thereof or otherwise.

Appraisal of over-valued real estate.

(4) If it appears to the Registrar or if he has any reason to suppose from the statements prepared and delivered to him by the corporations or otherwise, that the value placed by any corporation upon the real estate owned by it or any parcel thereof, is too great, or that the amount secured by mortgage or hypothec upon any parcel of real estate, together with interest due and accrued thereon is greater than the

value of the parcel or that the parcel is not sufficient for the loan and interest, or that the value of any investments of the funds of the corporation or of its trust funds is less than the amount of the value of the investments shown in the books of the corporation he may either require the corporation to secure an appraisal of such real estate or other security by one or more competent valuers or may himself procure such appraisal at the expense of the corporation and if it is made to appear that the value of such real estate or other security held, is less than the amount at which it is carried on the books of the corporation or is not adequate security for the loan and interest, he may write off such real estate, loan and interest, or investment, a sum sufficient to reduce the book value of the same to such amount as may fairly be realizable therefrom, such amount in no case to exceed the appraised value, and may insert such reduced amount in the report. 1949, c. 52, s. 107.

**110.**—(1) The Registrar or any person authorized under his hand and seal shall, with the approval of the Minister, have at any time within business hours access to the books, vouchers, securities and documents of a corporation, and any officer or person in charge, possession, custody or control of the books, vouchers, securities or documents refusing or neglecting to afford such access shall be guilty of an offence, and the corporation, if registered, shall be liable to have its registry suspended.

Registrar  
to have  
access to  
corporation  
books, etc.

(2) The corporation, on continued refusal or neglect to afford such access, shall be liable to have its registry cancelled or not renewed after termination of the current certificate.

Cancellation  
of registry  
for refusing  
access.

(3) Where a corporation is three months in default in the delivery of the financial statement required by section 146 or upon proof that its accounts have been materially and wilfully falsified, or that for 18 consecutive months there has been no *bona fide* audit of the books and accounts, or where there is filed with the Registrar a requisition for audit bearing the signatures, addresses and occupations of at least 25 shareholders of the corporation, holding shares upon which not less than \$10,000 has been paid in, and alleging to the satisfaction of the Registrar specific fraudulent or illegal acts, or repudiation of contracts, or insolvency, and accompanied by a deposit of \$300 or such less sum as the Registrar may fix as security to cover the costs of the audit, the Registrar may nominate a competent accountant who shall under his direction make a special audit of the corporation's books, accounts and securities, and make to him a written report thereupon verified upon oath.

Special audit  
in case of  
fraud, etc.

Credentials  
of auditor.

(4) A special auditor so appointed shall be sufficiently accredited if he delivers to the secretary or to any managing officer of the corporation a written statement under the hand and seal of the Registrar to the effect that the Registrar has nominated him to audit the books, accounts and securities of the corporation.

Expenses  
of special  
audit.

(5) The expense of a special audit shall be borne by the corporation, and the auditor's account therefor when approved in writing by the Registrar shall be conclusive and shall be payable forthwith.

Payment of  
costs out  
of deposit.

(6) Where the facts alleged in the requisition appear to the Registrar to have been partly or wholly disproved by the audit, and he deems it just, he may pay the costs of the audit partly or wholly out of the deposit.

Return of  
balance of  
deposit.

(7) The deposit or the balance, if any, remaining after payment of such costs shall be returned to the requisitioning shareholders upon the order of the Registrar.

Where  
corporation  
resists or  
obstructs  
audit.

(8) Where a corporation, by its officer, employee, servant or agent having in his custody, possession or power the funds, books, vouchers, securities or documents of the corporation, refuses to have the same duly audited as provided by section 66, or by this section or by section 111, or obstructs an auditor or examiner in the performance of his duties, the Registrar, upon proof of the fact, may suspend or cancel the registry of the corporation, or may terminate the registry upon the expiry of the current certificate of registry.

Report of  
special  
auditor.

(9) If the report of the special auditor appears to the Registrar to disclose fraudulent or illegal acts on the part of the corporation, or a repudiation of its contracts, or its insolvency, he shall notify the corporation accordingly and furnish it with a copy of the report, allowing two weeks for a statement in reply to be filed with him.

Registrar's  
decision.

(10) Upon consideration of the report and of the corporation's statement in reply, and of such further evidence, documentary or oral, as he may require, the Registrar shall render his decision in writing, and may thereby continue or terminate, or suspend or cancel the registry of the corporation. 1949, c. 52, s. 108.

Appoint-  
ment of  
examiner.

**111.**—(1) The Minister, of his own motion or upon an application being made to him in writing, may appoint any competent person to make a special examination and audit of the corporation's books, accounts and securities, and to inquire into the conduct of the business of the corporation generally.

(2) The application shall be supported by such evidence as the Minister may require for the purpose of showing that there is good reason for requiring the investigation to be made, and that it is not prompted by malicious motives. Evidence upon which inquiry to be ordered.

(3) The Minister may require security for the payment of the costs of the inquiry to be given before appointing the examiner. Security for costs.

(4) The examiner may summon witnesses and take evidence under oath, and generally, for the purposes of such examination, audit and inquiry, shall have the like powers as may be conferred on a commissioner appointed under *The Public Inquiries Act*. Powers of examiner as to summoning witnesses, etc. Rev. Stat., c. 308.

(5) Upon the conclusion of the examination, audit and inquiry the examiner shall make his report in writing to the Minister. Report to Minister.

(6) The Registrar may, by notice in writing, whenever he sees fit, require a corporation to make in addition to its annual or other returns required by this Act, a return verified by affidavit of one of its officers, or to furnish information verified in the same manner upon any subject connected with its affairs, and the corporation shall make the return within the time mentioned in the notice requiring the same. Additional information.

(7) The notice may be given to the president, secretary, managing director or other officer or officers having apparent control of the books of the corporation, or any of them in Ontario, and non-compliance with the notice shall be an offence. Notice.

(8) Upon the request of the Dominion Mortgage and Investments Association, the Minister shall appoint an examiner under subsection 1. 1949, c. 52, s. 109. Appointment of examiner.

**112.**—(1) A notice published in *The Ontario Gazette* over the name of the Registrar or assistant registrar shall, without further proof, be *prima facie* evidence of the facts set forth in the notice. Notice to be evidence.

(2) All copies of returns, reports or other official publications of the Registrar purporting to be printed by the King's Printer, or to be printed by order of the Assembly, shall, without further proof, be admitted as evidence of such publication and printing and as true copies of the originals. Official publications.

(3) A certificate under the hand of the Registrar or assistant registrar and the Registrar's seal of office, that on a stated day the corporation mentioned therein was or was not regis- Certificate as to registry.



tered, or that the registry of any corporation was originally granted, or was renewed, suspended, revived or cancelled, on a stated day, shall be *prima facie* evidence of the facts stated in the certificate.

Copies of  
or extracts  
from official  
documents.

(4) Copies of, or extracts from, any book, record, instrument or document in the office of the Registrar or of or from any official instrument or document issued under this Act shall, if certified by him or by the assistant registrar to be true copies or extracts and sealed with the Registrar's seal of office, be held as authentic and shall be *prima facie* evidence of the same legal effect as the original. 1949, c. 52, s. 110.

Annual  
inspection of  
registered  
corpora-  
tions.

**113.**—(1) The Registrar personally shall visit or cause a duly qualified member of his staff to visit at least once annually the head office of each registered corporation, other than a corporation as to which he adopts the inspection of another government, and he shall inspect and examine the statements of the condition and affairs of each corporation and make such inquiries as are necessary to ascertain its condition and ability to provide for the payment of its liabilities as and when they become due, and whether or not it has complied with this Act, and the Registrar shall report thereon to the Minister as to all matters requiring his attention and decision.

Further  
inspection.

(2) Where the Registrar deems it necessary and expedient to make a further examination into the affairs of a corporation and so reports to the Minister, the Minister may in his discretion instruct the Registrar to visit or cause any duly qualified member of his staff to visit any branch office or offices of the corporation to inspect and examine into its affairs and to make such further inquiries as the Minister may require.

Material to  
be furnished  
on inspec-  
tion.

(3) For the purpose of an examination, the corporation shall prepare and submit to the Registrar such statements with respect to its business, finances or other affairs, in addition to the statement mentioned in this Act, as the Registrar may require, and the officers, agents and servants of the corporation shall cause their books to be open for inspection and shall otherwise facilitate such examination so far as it is in their power.

Production  
of books.

(4) In order to facilitate the examination of the books and records of a corporation, the corporation may be required by the Registrar, with the approval of the Minister, to produce the books and records at the head office or chief office of the corporation in Ontario, or at such other convenient place as the Registrar may direct.

(5) The Registrar, or any person authorized by the Minister, <sup>Examination.</sup> may examine under oath the officers, agents or servants of the corporation for the purpose of obtaining any information that he deems necessary for the purpose of the examination.

(6) Where an examination is made under subsection 2 of any branch or other office situated outside of Ontario, the <sup>Expense of further inspection.</sup> corporation shall pay the account in connection with the examination upon the certificate of the Registrar approved by the Minister. 1949, c. 52, s. 111.

**114.**—(1) If, as the result of the examination, the Registrar <sup>Special report where condition unsound.</sup> is of opinion that the assets of the corporation are insufficient to justify its continuance in business, he shall make a special report to the Minister on the condition of the corporation.

(2) If the Minister, after a reasonable time has been given <sup>Power to cancel or suspend registry.</sup> to the corporation to be heard by him, and upon such further inquiry and investigation as he sees fit to make, reports to the Lieutenant-Governor in Council that he agrees with the opinion of the Registrar, the Lieutenant-Governor in Council may, if he also concurs in the opinion, suspend or cancel the registry of the corporation, and the corporation shall thereupon cease to transact further business; provided that the Minister may, during such suspension or cancellation, issue such conditional registry as he may deem necessary for the protection of the public.

(3) If the Minister deems it advisable, the conditional <sup>Sale and transfer under conditional registry.</sup> registry may provide that the corporation shall, during the continuance of the conditional registry, arrange for the sale of its assets and for the transfer of its liabilities.

(4) If upon the expiration of the conditional registry no <sup>When registration cancelled.</sup> arrangement satisfactory to the Minister has been made for such sale and transfer, and if in the opinion of the Minister the corporation's condition is not then such as to warrant the restoration of the corporation's registry, the registration shall be cancelled. 1949, c. 52, s. 112.

REGISTRATION

**115.**—(1) Applications for initial registry shall be made <sup>Applications for initial registry.</sup> according to a form to be supplied by the Registrar, and the applicant shall deliver to the Registrar the application duly completed, together with such information, material and evidence as the form requires.

(2) The applicant shall, if required, furnish such further <sup>Material to be furnished.</sup> information, material and evidence, and give such public notice of the application as the Registrar may direct.

Financial statement to accompany application.

(3) The applicant shall file with the application a statement in such form as may be required by the Registrar of the financial condition and affairs of the corporation on the 31st day of December next preceding or on the last day of the fiscal year of the corporation, if the last day is not more than 12 months before the filing of the statement, and the statement shall be signed and verified as prescribed by section 67. 1949, c. 52, s. 113.

Registration of extra-provincial corporations.

**116.**—(1) Where a corporation applying for registry has its head office elsewhere than in Ontario the application shall be accompanied by a power of attorney from the corporation to an agent or agents resident in Ontario.

Execution of power of attorney.

(2) The power of attorney shall be under the seal of the corporation, and shall be signed by the president and secretary or other proper officers thereof in the presence of a witness who shall make oath as to the due execution thereof.

Authentication.

(3) The official positions in the corporation held by the officers signing the power of attorney shall be verified by the oath of any person cognizant of the facts.

Contents of power of attorney.

(4) The power of attorney shall declare at what place in Ontario the chief agency of the corporation is, or is to be established, and shall expressly authorize the agent or agents to receive service of process in all actions and proceedings against the corporation in Ontario for any liability incurred by the corporation therein, and also to receive from the Registrar all notices that the law requires to be given, or which it is thought advisable to give, and shall declare that service of process for or in respect of such liability on any of the agents and receipt of the notices at the chief agency or personally by any of the agents shall be legal and binding on the corporation.

Filing of power of attorney.

(5) The power of attorney and the affidavit of execution shall be filed with the Registrar.

Authority conferred by power of attorney.

(6) The power of attorney may confer upon the agent or agents any further or other powers that the corporation may deem advisable.

Effect of copy as evidence.

(7) The production of a copy of the power of attorney certified by the Registrar shall be sufficient evidence for all purposes of the power and authority of the person or persons therein named to act on behalf of the corporation in the manner and for the purposes set forth in the certified copy.

(8) Whenever the corporation changes any of its agents or the chief agency in Ontario, it shall file with the Registrar a similar power of attorney, stating the change or changes and containing a similar declaration as to service of process and notices.

Changes in chief agent or agency.

(9) After the power of attorney is filed, any process in any action or proceeding against the corporation for a liability incurred in Ontario may be validly served on the corporation at its chief agency; but nothing in this section shall render invalid service in any other mode in which a corporation may be lawfully served.

Service of process thereafter.

(10) This section shall apply notwithstanding any special or other legislation of Ontario affecting any registered corporation. 1949, c. 52, s. 114.

Application of section.

**117.**—(1) The Registrar shall cause to be entered on the proper register the name of every corporation entitled to registry, together with the date of the commencement of the registry and the term for which the registry is to endure.

Recording registry; entries on register.

(2) The term shall begin on the date of such commencement and shall end not later than the 30th day of June next ensuing.

Term of registry.

(3) The Registrar shall also cause to be entered on the register the place where the head office and the chief agency, if any, are situate, and if there is a chief agency the name and address of the chief agent, and of the agent or agents appointed under section 116.

Particulars to be entered.

(4) If the registry is suspended, revived, revoked or cancelled, the date of and authority for such suspension, revivor, revocation or cancellation shall also be entered.

Entering suspension, etc., of registry.

(5) The Registrar shall issue under his hand and seal of office to every registered corporation a certificate of registry, setting forth that the corporation is entitled to registry as a (*describing the corporation*) under this Act, and that the corporation is accordingly registered for the term stated in the certificate.

Issue of certificate of registry.

(6) Every certificate of registry shall specify the first day and the last day of the term for which the corporation is registered, and the corporation so registered shall be deemed to be registered from the commencement of the first day to the end of the last day so specified.

Commencement and end of term.

(7) A certificate of registry that does not specify an earlier date of expiry shall, unless sooner suspended or cancelled,

Duration of registry.

remain valid until the next ensuing 30th day of June, when, if the corporation has complied with the law and continues solvent, it shall be entitled to a certificate of renewed registry, and so on every succeeding 30th day of June thereafter.

Interim certificate.

(8) Notwithstanding failure to comply with this Act within the prescribed time, the Registrar may, upon payment of the prescribed fee, grant an interim certificate of registry or extend the currency of a subsisting certificate. 1949, c. 52, s. 115.

Restrictions upon use of names.

**118.**—(1) No corporation shall be registered under a name identical with that under which any other existing corporation is registered, or under any other name likely, in the opinion of the Registrar, to deceive, mislead or confuse the public as to its identity.

New names.

(2) No registered corporation shall be registered under a new or different name except upon proof that such new or different name is authorized by law.

Change of corporate name.

(3) Where a provincial corporation desires to adopt a name different from that by which it was incorporated, or where, in the opinion of the Registrar, the name by which the corporation was incorporated may be confused with that of another existing corporation, the Lieutenant-Governor in Council may change the name of the corporation to some other name to be stated in the Order in Council.

Not to affect rights or obligations.

(4) No change of name shall affect the rights or obligations of the corporation.

Change of head office.

(5) The location of the head office of a corporation may be changed in like manner.

Public notice.

(6) Such public notice shall be given of any change of name or head office, and of any application for such change, in *The Ontario Gazette* and otherwise as the Registrar may direct. 1949, c. 52, s. 116.

What admissible to registry.

**119.**—(1) Trust companies whose powers do not include that of buying and selling land as beneficial owner except as authorized by this Act and do not exceed the powers that are conferred upon trust companies under this Act, loan corporations and loaning land corporations that are solvent and fall within one of the following classes, may, upon due application, be admissible to registry:

- (a) Corporations duly constituted under the law of Ontario.

(b) Corporations which being duly incorporated or constituted under the laws of any other province of Canada, or of Canada, or of the United Kingdom, were in actual, active and *bona fide* operation in Ontario on the 16th day of April, 1912, but such corporations shall be admissible to registry only on due application and with the approval of the Minister and on such terms and conditions as he may prescribe.

(c) Corporations duly constituted as joint stock corporations under the laws of any other province of Canada or of Canada that issue only permanent shares and have a subscribed permanent stock of not less than \$300,000, whereof \$100,000 is paid in and unimpaired.

(2) Any registry purporting to have been made prior to 1st day of May, 1914, by any corporation mentioned in clause *b* of subsection 1 shall be deemed for all purposes to have been a registry under this Act from the date of commencement of such purported registry. Registry validated.

(3) A corporation incorporated under the laws of any other country may, upon due application, with the approval of the Minister, be admitted to registry on such terms and conditions as he may prescribe. Corporations of other countries.

(4) Any trust company authorized by a special Act of Ontario to carry on business in Ontario shall not be barred from registry merely because its powers exceed those conferred upon trust companies by this Act. Company authorized by special Act.

(5) Subject to subsection 3 of section 9, no other corporation shall be registered. 1949, c. 52, s. 117. No others.

**120.**—(1) Upon proof that registry or a certificate of registry has been obtained by fraud or mistake, or that a corporation exists for an illegal purpose, or is insolvent, or has failed to pay its obligations, or has wilfully, and after notice from the Registrar, contravened any of the provisions of this Act, or of the Act or instrument incorporating the corporation, or of any law in force in Ontario, or has ceased to exist, the registry of the corporation may be suspended or cancelled by the Registrar. Suspension or cancellation of registry.

(2) On the suspension or cancellation of the registry of any existing corporation the Registrar shall cause notice in writing thereof to be delivered to the corporation. Notice to be given to the corporation.

(3) Where the corporation has ceased to exist, the notice shall be published in *The Ontario Gazette*. Publication in Gazette.

Corporation to cease business except for winding-up purposes.

(4) After such suspension or cancellation, or after termination of registry without renewal, the corporation shall, unless again registered, cease to transact or undertake business in Ontario, except so far as is necessary for the winding up of its business; but any liability incurred by the corporation may be enforced against it as if such suspension, cancellation or termination had not taken place. 1949, c. 52, s. 118.

Decision of Registrar to be in writing and to be delivered to corporation.

**121.** Where in any disputed case the Registrar decides that a corporation is or is not legally entitled to registry, or to renewal of registry, or where he suspends, revives or cancels the registry of a corporation, his decision, except as otherwise provided, shall be given in writing, and he shall cause a copy thereof certified under his seal of office to be delivered to the corporation. 1949, c. 52, s. 119.

Review.

**122.**—(1) Any corporation whose registration or right to registration is affected by any decision of the Registrar may, by notice in writing served upon the Registrar within 30 days after the delivery of the copy of the decision under section 121, request a hearing and review of the matter by the Registrar.

Notice of hearing.

(2) Where a hearing and review is requested, the Registrar shall send a notice in writing to the corporation notifying it of the time and place of the hearing.

Evidence.

(3) Upon a review the Registrar may hear such evidence as may be submitted to him which in his opinion is relevant to the matter in dispute, and he shall not be bound by any law respecting the admissibility of evidence, and all oral evidence submitted shall be taken down in writing and together with such documentary evidence and things as are received in evidence by the Registrar shall form the record.

Powers on review.

(4) Upon a review the Registrar may confirm or revoke his former decision or may make alterations therein or additions thereto as he may deem proper.

Decision to be delivered.

(5) Notice of his decision made upon a review shall be delivered forthwith to the corporation that requested the review.

Appeal to Supreme Court.

(6) Where the Registrar has reviewed a decision and given his decision upon the review, the corporation that requested the review may appeal to a justice of appeal of the Court of Appeal.

Form of appeal.

(7) Every appeal shall be by notice of motion served upon the Registrar within 30 days after the delivery of the decision

under subsection 5, and the practice and procedure in relation to the appeal shall be the same as upon an appeal from a judgment of a judge of the Supreme Court in an action, provided that the Rules Committee may vary or amend such practice and procedure in respect of appeals taken under this section.

(8) The Registrar shall certify to the Registrar of the Certificate of Registrar. Supreme Court,

(a) the decision that has been reviewed by the Registrar;

(b) the decision of the Registrar upon the review, together with any statement of reasons therefor;

(c) the record of the review; and

(d) all written submissions to the Registrar and other material that in the opinion of the Registrar are relevant to the appeal.

(9) The Attorney-General may designate counsel to assist Counsel. the judge upon the hearing of any appeal taken under this section.

(10) Where an appeal is taken under this section, the judge Order of judge. may by his order direct the Registrar to make such decision as the Registrar is authorized to do under this Act and as the judge deems proper and thereupon the Registrar shall act accordingly.

(11) The order of the judge shall be final and there shall be Further decision. no appeal therefrom, but notwithstanding the order the Registrar shall have power to make any further decision upon new material or where there is a material change in the circumstances, and every such further decision shall be subject to this section. 1949, c. 52, s. 120.

**123.** The Registrar may at the request of the corporation, Cancellation of registry by request of corporation. evidenced as he may direct, cancel its registry. 1949, c. 52, s. 121.

**124.** A corporation not registered on the 1st day of July, Where corporations not to be registered. 1900, shall not be granted registry if the stock or shares of the corporation consist of or include terminating stock or shares. 1949, c. 52, s. 122.

**125.** If on receiving an application for registry the Minister may direct amendment of by-laws. Minister finds in the by-laws of the applicant anything repugnant to this Act or to the law of Ontario, he may direct



an amendment of the by-laws, and, upon their being amended as directed and returned certified as having been so amended, the application may be proceeded with. 1949, c. 52, s. 123.

Return of evidence as to by-laws.

**126.**—(1) Every corporation doing business in Ontario, if required so to do by the Registrar, shall furnish satisfactory evidence that any by-law has been duly passed, and is a legal and valid by-law according to the Act or instrument incorporating the corporation and also that the by-law conforms to the law of Ontario.

Refusal to furnish evidence.

(2) A corporation refusing or failing to furnish such evidence promptly shall be liable to have its registry suspended or cancelled. 1949, c. 52, s. 124.

Capital required before registration.

**127.** No trust company shall be registered to transact business in Ontario that has not a capital paid in of at least \$100,000. 1949, c. 52, s. 125.

Representations that standing of corporation is vouched for by Registrar.

**128.**—(1) No corporation shall under the penalty of becoming disentitled to registry or of having its registry suspended or cancelled make, print, publish, circulate, authorize or be a party or privy to the making, printing, publishing or circulating of any statement or representation that its solvency or financial standing is vouched for by the Registrar or that the publication of its statement in his report is a warranty or representation of the solvency of the corporation, or of the truth or accuracy of the statement in any particular.

Offence.

(2) Any director, auditor, officer, servant, employee or agent of a corporation who makes or uses or authorizes or is party or privy to the making or using of any such statement or representation shall be guilty of an offence. 1949, c. 52, s. 126.

#### UNREGISTERED CORPORATIONS

No unregistered corporation to undertake business.

**129.**—(1) No incorporated body or person acting in its behalf, other than a registered corporation and a person duly authorized by it to act in its behalf, shall undertake or transact in Ontario the business of a loan corporation, or of a loaning land corporation, or of a trust company.

Certain matters to be deemed undertaking business.

(2) Any setting up or exhibiting of a sign or inscription containing the name of the corporation, or any distribution or publication of any proposal, circular, card, advertisement, printed form or like document in the name of the corporation, or any written or oral solicitation on the corporation's behalf, or any collecting or taking of money on account of shares or of loans or advances shall, both as to the corporation and

as to the person acting or purporting to act on its behalf, be deemed undertaking the business of the corporation within the meaning of this section.

(3) Any promoter, organizer, manager, director, officer, collector, agent, employee, or person who undertakes or transacts any business of a corporation that is not registered under this Act shall be guilty of an offence. 1949, c. 52, s. 127.

No person to act as agent for unregistered corporation.

**130.** Any person, partnership, organization, society, association, company or corporation, not being a corporation registered under this Act or under *The Insurance Act*, assuming or using in Ontario a name which includes any of the words "Loan", "Mortgage", "Trust", "Trusts", or "Guarantee", in combination or connection with any of the words "Corporation", "Company", "Association" or "Society", or "Limited", or "Incorporated" or any abbreviations thereof, or in combination or connection with any similar collective term, or assuming or using in Ontario any similar name, or any name or combination of names that is likely to deceive or mislead the public shall be guilty of an offence, and any person acting on behalf of such person, partnership, organization, society, association, company or corporation shall also be guilty of an offence; but where any of such combinations of words formed part of the corporate name of any corporation duly incorporated by or under the authority of an Act of Ontario or of the Parliament of Canada prior to the 1st day of July, 1900, the combination may continue to be used in Ontario as part of the corporate name. 1949, c. 52, s. 128.

Use of certain words in name of company while unregistered. Rev. Stat. c. 183.

**131.**—(1) In this section, "contract" means any contract, agreement, undertaking or promise,

Interpretation.

- (a) to pay to or for the contract holder any money or money's worth;
- (b) to sell, supply or procure any building or site or land or to bring about the purchase and sale or supply thereof; or
- (c) to construct or procure the construction of any house or building,

made upon any consideration that includes an entrance or membership fee, or expense contribution, initial, renewal, periodical or recurrent, or that includes any periodical or recurrent contribution to a fund, or account, or source for, or intended or alleged to be for, the carrying out of such contract, and includes any contract, agreement, undertaking, or promise, the benefit of which to the contract holder paying any such consideration is to be wholly or partly postponed

or deferred until other contract holders have been provided for, or is to depend upon the number or the persistence of the other contract holders, or upon the accession of new contract holders, or upon the order or sequence of the contract.

Prohibition  
of certain  
contracts.

Rev. Stat.,  
c. 183.

(2) Any person, partnership, organization, society, association, company or corporation, not being a corporation registered under this Act or under *The Insurance Act*, undertaking or effecting, or offering to undertake or effect, any contract shall be guilty of an offence, and any person acting on behalf of such person, partnership, organization, society, association, company or corporation, shall also be guilty of an offence, and the convicting magistrate or justices, in addition to imposing the prescribed penalty, may at the time of conviction or thereafter make such order for the restitution of the money that was unlawfully taken as to him or them seems just, and in default of compliance with such order the offender shall be liable to imprisonment for a term of not more than 12 months. 1949, c. 52, s. 129.

Use of sign,  
name or  
document  
inducing  
illegal  
contract.

**132.** Where in any case arising under section 129, 130 or 131 it is found by the magistrate or justices that the person, partnership, organization, society, company or corporation charged or his or its agent is exhibiting or using any sign, inscription or name, or distributing, using or publishing any document, including any proposal, circular, card, advertisement, notice, application, contract or printed form which, in the opinion of the magistrate or justices, induces, or tends to induce, a violation of any such section, or is likely to deceive or mislead the public either as to the party or the status of the party undertaking the contract, or as to the nature, terms or effect of the contract, the magistrate or justices may summarily order the discontinuance of such sign, inscription, name or document, and non-compliance with such order shall be an offence. 1949, c. 52, s. 130.

#### INVESTMENTS

Securities,

**133.**—(1) A registered loan corporation and a registered loaning land corporation may purchase or invest in,

real estate  
and life  
insurance;

(a) mortgages, charges or hypothecs upon improved real estate in Ontario or elsewhere where the corporation is authorized to extend its business under section 86, or mortgages or assignments of such life insurance policies as have at the date of the loan or investment an ascertained cash surrender value admitted by the insurer;

government  
bonds;

(b) the debentures, bonds, stock or other securities of or guaranteed by the government of Canada or of or guaranteed by the government of any province of

Canada, or of or guaranteed by the government of the United Kingdom, or of any of His Majesty's dominions, colonies or dependencies, or of any state forming part of any such dominion, colony or dependency, or of or guaranteed by any foreign country or state forming part of such foreign country where the interest on the securities of such foreign country or state has been paid regularly for the previous 10 years, or of any municipality or school corporation in Canada or elsewhere where the company is carrying on business, or guaranteed by any municipal corporation in Canada, or secured by rates or taxes levied under the authority of the government of any province of Canada on property situated in such province and collectible by the municipalities in which the property is situated;

- (c) the bonds, debentures, debenture stock, or other securities of any company or bank incorporated by Canada, or by any province of Canada, or by any former province now forming part of Canada, that are secured by a mortgage or hypothec to a trust company either singly or jointly with another trustee upon improved real estate of such company or bank or other assets of such company of the classes mentioned in clauses *a* and *b*; bonds secured by trust deed;
- (d) the bonds, debentures or other evidences of indebtedness of a corporation that are secured by the assignment to a trustee of payments that the government of Canada has agreed to make, if such payments are sufficient to meet the interest as it falls due on the bonds, debentures or other evidences of indebtedness outstanding and to meet the principal amount of the bonds, debentures or other evidences of indebtedness upon maturity; Dominion subsidy bonds;
- (e) the bonds, debentures or other evidences of indebtedness of a corporation that are secured by the assignment to a trustee of payments that are payable, by virtue of an Act of a province of Canada, by or under the authority of the province, if such payments are sufficient to meet the interest as it falls due on the bonds, debentures or other evidences of indebtedness outstanding and to meet the principal amount of the bonds, debentures or other evidences of indebtedness upon maturity; provincial subsidy bonds;
- (f) equipment trust obligations or certificates issued to finance the purchase of transportation equipment for a railway company incorporated in Canada or for a railroad securities;

railway company owned or controlled by a railway company so incorporated which obligations or certificates are fully secured by an assignment of the transportation equipment to, or by the ownership thereof by, a trustee, and by a lease or conditional sale thereof to the railway company;

debentures;

(g) the debentures or other evidences of indebtedness of any company or bank that has paid regular dividends on its preferred or on its common stocks for a term of at least five years immediately preceding the date of investment in the debentures or other evidences of indebtedness;

preferred stock;

(h) the preferred stocks of any company or bank that has paid regular dividends upon such stocks or upon its common stocks for not less than five years preceding the purchase of the preferred stocks, or the stocks of any company that are guaranteed by a company that has paid regular dividends upon its preferred or common stocks for not less than five years preceding the purchase of the guaranteed stocks; provided that the amount of stocks so guaranteed is not in excess of 50 per cent of the amount of the preferred or common stocks, as the case may be, of the guaranteeing company; or

common stock.

(i) the common stocks of any company or bank upon which regular dividends of at least four per cent per annum, or, in the case of stocks of no par value, of at least four dollars per share per annum, have been paid for the seven years next preceding the purchase of such stocks; provided that if any company has, pursuant to a voluntary re-organization of its capital account and without affecting the status or diminishing the value of its outstanding securities, including the capital stock, substituted common shares of no par value for shares of par value, then dividends declared on the said no par value stock shall be deemed to be dividends of at least four dollars per share per annum if the sum thereof is equivalent to at least four per cent of the said common stock of par value and the proceeds of any additional issue of common stock made at the time of, or subsequent to, the aforesaid substitution of shares, and in such circumstances dividends of at least four per cent per annum on the common stock of par value immediately preceding the substitution shall be regarded as dividends on the no par value stock; and provided further that

if any company has in any year paid dividends on its common stock amounting to not less than \$500,000, the payment of such dividends shall be deemed to be for the purposes of this section equivalent to the payment of a dividend of four per cent or four dollars per share for that year.

(2) In addition to investments it may make by lending on the security of or by purchasing mortgages, charges or hypothecs upon real estate pursuant to *The National Housing Act, 1944* (Canada), or any amendments thereto, a registered loan corporation or a registered loaning land corporation may invest its funds to an aggregate amount not exceeding five per cent of its total assets in Canada allowed by the Registrar in any other classes or types of investments pursuant to the said Act, or any amendments thereto, including the purchase of land, the improvement thereof, the construction of buildings thereon, and the management and disposal of such lands and buildings.

Investment in national housing. 1944-45, c. 46 (Can.).

(3) A registered loan corporation and a registered loaning land corporation may lend money on the security of,

Loans on securities by loan and loaning land corporations.

- (a) any of the securities mentioned in clauses *a*, *b* and *c* of subsection 1, or on improved real estate or leaseholds, or on guaranteed investment certificates of a trust company; or
- (b) the bonds, debentures, notes, shares or other securities of any company or bank, other than those mentioned in clause *c* of subsection 1, provided that the market value of the securities on which the loan is made shall at all times exceed the amount of the loan by at least 20 per cent of the market value, and provided further that the amount loaned on the security of the shares of any such company or bank shall not at any time exceed 10 per cent of the market value of the total outstanding shares of such company or bank. 1949, c. 52, s. 131.

**134.**—(1) A registered trust company may invest its funds and moneys received for guaranteed investment or as deposits in any of the securities mentioned in subsection 1 of section 133, provided that at all times at least 50 per cent of moneys received for guaranteed investment in the manner authorized by subsection 1 of section 80 or as deposits in the manner authorized by subsection 1 of section 78 shall be invested in or loaned upon such securities only as are authorized by *The Trustee Act*.

Investments by trust companies.

Rev. Stat., c. 400.

Investment  
in national  
housing.

1944-45,  
c. 46 (Can.).

(2) In addition to the investments it may make by lending on the security of or by purchasing mortgages, charges or hypothecs upon real estate pursuant to the provisions of *The National Housing Act, 1944* (Canada), or any amendments thereto, a registered trust company may invest its funds to an aggregate amount not exceeding five per cent thereof and may, notwithstanding the provisions of subsection 1, invest moneys received for guaranteed investment or as deposits under sections 80 and 78 to an aggregate amount not exceeding five per cent of such moneys, in any other classes or types of investments pursuant to the said Act, or any amendments thereto, including the purchase of land, the improvement thereof, the construction of buildings thereon, and the management and disposal of such lands and buildings.

Loans  
by trust  
companies,

(3) Subject to the proviso in subsection 1, a registered trust company may lend its funds and moneys received for guaranteed investment or as deposits on the security of,

real estate,  
etc.;

(a) any of the securities mentioned in clauses *a*, *b* and *c* of subsection 1 of section 133, or on improved real estate or leaseholds, or on guaranteed investment certificates of a trust company; or

bonds,  
debentures,  
etc.

(b) the bonds, debentures, notes, stocks or other securities of any company or bank, other than those mentioned in clause *c* of subsection 1 of section 133, provided that the market value of the securities on which the loan is made shall at all times exceed the amount of the loan by at least 20 per cent of the market value, and provided further that the amount loaned on the security of the stocks of any such company or bank shall not at any time exceed 10 per cent of the market value of the total outstanding stocks of such company or bank. 1949, c. 52, s. 132.

Personal  
security as  
collateral.

**135.**—(1) A corporation may take personal security as collateral for any advance or for any debt due to the corporation.

Power to do  
acts and to  
exercise  
remedies.

(2) The corporation may do all acts that are necessary for advancing sums of money, and for receiving and obtaining repayment thereof, and for compelling the payment of all interest accruing due thereon, and the observance and fulfilment of any conditions annexed to the advance, and for enforcing the forfeiture of any term or property consequent on the non-fulfilment of such conditions, or of conditions entered into for delay of payment. 1949, c. 52, s. 133.

**136.**—(1) On and after the 14th day of April, 1925, no corporation shall, Restrictions on amount of investments.

(a) except as to securities issued or guaranteed by the government of Canada or the government of any province of Canada or by any municipal corporation in Ontario, invest in any one security or make a total investment in any one corporation, company or bank including the purchase of its stock or other securities, the lending to it on the security of its debentures, mortgages or other assets or any part thereof, of an amount exceeding 15 per cent of its own paid in capital stock and reserve funds;

(b) make any investment the effect of which will be that the corporation will hold more than 15 per cent of the stock or more than 15 per cent of the debentures of any one corporation, company or bank.

(2) In the case of a trust company, subsection 1 shall apply only to the investment of its funds and of moneys received for guaranteed investment or as deposits under sections 80 and 78. Trust company.

(3) This section shall not apply to an investment in the paid up capital stock of a trust company having its head office in Ontario if the same has been authorized by the Lieutenant-Governor in Council. 1949, c. 52, s. 134. Not to apply to certain companies.

**137.**—(1) The Lieutenant-Governor in Council may authorize the acceptance by a corporation of bonds, notes, stocks, debentures or other assets not fulfilling the requirements of this Act, Other investments authorized.

(a) obtained in payment or part payment for securities sold by the corporation; or

(b) obtained under a *bona fide* arrangement for the re-organization of a company whose securities were previously owned by the corporation; or

(c) obtained under an amalgamation with another company of the company whose securities were previously owned by the corporation; or

(d) obtained for the *bona fide* purpose of protecting investments previously made by the corporation; or

(e) obtained by virtue of the purchase by the corporation of the assets of another corporation,



but the bonds, notes, stocks or debentures or other assets whose acceptance is so authorized shall be sold and disposed of within five years after the acquisition thereof, or within such further time not exceeding one year as the Lieutenant-Governor in Council shall, on report of the Minister, fix and determine unless it can be shown to the satisfaction of the Minister that the bonds, notes, stocks, debentures or other assets whose acceptance is so authorized are not inferior in status or value to the securities for which they have been substituted.

Stocks of re-organized companies.

(2) For the purpose of determining the eligibility as investments under this Act of the preferred or common stocks of any company that has been voluntarily re-organized without the impairment of the status or value of its securities, dividends paid on the preferred and common stocks of the company before such re-organization may be counted as dividends paid on such stocks respectively of the re-organized company. 1949, c. 52, s. 135.

May hold certain estates and interests in land; and may dispose of same.

**138.**—(1) A registered corporation may hold real estate which, having been mortgaged or hypothecated to it, has been acquired by it for the protection of its investment, and real estate conveyed to it in satisfaction of debts previously contracted in the course of its business, and may from time to time sell, mortgage, lease, exchange or otherwise dispose of the same, and may sell or otherwise dispose of as it deems advisable any mortgage or security that it has lawfully acquired.

Limitation of time for holding except in case of loaning land corporation.

(2) The corporation, not being a loaning land corporation registered under this Act, shall, subject to section 139, sell any real estate acquired by it under any mortgage, charge or hypothecation, or in satisfaction of any debt, within twelve years after it has been so acquired, otherwise it may be forfeited to His Majesty for the use of Ontario; but no such forfeiture shall be enforced until the expiration of six calendar months after notice in writing to the corporation of the intention of His Majesty to claim such forfeiture.

Powers and rights of grantors and grantees.

(3) The corporation may give receipts, acquittances and discharges, either absolutely and wholly or partially, and may grant or take such deeds, assignments or other instruments as are necessary for carrying any such holding, purchase, exchange or re-sale into effect, and the grantee or assignee in any such instrument shall stand in the place of, and be entitled to, and have all the same rights, powers and remedies, and shall be subject to the same obligations and liabilities as the grantor or assignor would have been entitled to or would have been subject to if the grant or assignment had not been made. 1949, c. 52, s. 136.

**139.** A registered corporation may hold to its own use and benefit such real estate as is necessary for the transaction of its business, or is acquired or held *bona fide* for building upon or improving for that purpose, and may sell, mortgage or dispose of the same. 1949, c. 52, s. 137.

Power to hold real estate for business.

**140.** A registered corporation, when so authorized by the letters patent or by the Lieutenant-Governor in Council, may acquire or may construct, on any lands held pursuant to section 139, a building larger than is required for the transaction of its business and may lease any part of the building not so required. 1949, c. 52, s. 138.

Power to construct larger building and to lease part thereof.

**141.** A provincial corporation shall not make or undertake any investment under section 139 or 140 that will cause the total amount at which such investments are carried on its books to exceed 35 per cent of its paid up capital and reserve funds. 1949, c. 52, s. 139.

Limit of amount of investments in buildings.

**142.** A corporation shall not lend or advance money to any of its directors or auditors or to the wife or child of any director or auditor. 1949, c. 52, s. 140.

Loans to directors and auditors prohibited.

**143.** The Registrar may request any corporation to dispose of and realize any of its investments acquired after the 14th day of April, 1925, and not authorized by this Act, and the corporation shall within sixty days after receiving the request dispose of and realize such investments, and if the amount realized therefrom falls below the amount paid by the corporation for such investments, the directors of the corporation shall be jointly and severally liable for the payment to the corporation of the amount of the deficiency; provided that if any director present when any such investment is authorized, forthwith, or if any director then absent, within twenty-four hours after he becomes aware of such investment, and is able to do so, enters his written protest against the same, and within eight days thereafter notifies the Registrar in writing of his protest, the director may thereby, but not otherwise, exonerate himself from liability. 1949, c. 52, s. 141.

Corporation may be required to dispose of unauthorized investments.

RETURNS

**144.—(1)** Every trust company receiving deposits in the manner authorized by subsection 1 of section 78 shall make a return to the Registrar on or before the 15th day of January in each year, drawn in accordance with the form prescribed by the Registrar, showing the amount of the deposits, and showing all securities including loans made upon securities, and cash, including money on deposit, ear-marked and

Annual returns of deposits and securities allocated.

definitely set aside as provided in subsection 2 of section 78 as such amounts stood on the 31st day of December next preceding, and stating that the same were on such date so ear-marked and definitely set aside.

Annual returns of guaranteed funds and securities allocated.

(2) Every trust company receiving funds for guaranteed investment as mentioned in subsection 1 of section 80 shall make a return to the Registrar on or before the 15th day of January in each year, drawn in accordance with the form prescribed by the Registrar, showing the amount of the funds, and showing all securities, including loans on securities, and cash, including money on deposit, ear-marked and definitely set aside as provided in subsection 3 of section 80 as such amounts stood on the 31st day of December next preceding, and stating that the same were on such date so ear-marked and definitely set aside.

Semi-annual returns by trust companies as to deposits and liquid securities available.

(3) Every trust company receiving deposits in the manner authorized by subsection 1 of section 78 shall make a return to the Registrar on or before the 15th days of January and July in each year, drawn in accordance with the form prescribed by the Registrar, showing the amount of the deposits and showing the amount of cash on hand and on deposit, and the amount of debentures, bonds, stock or other securities of, or guaranteed by Canada, and of, or guaranteed by, any province of Canada, less any encumbrances thereon, and the amount of bonds, debentures and other securities of any municipal corporation in Ontario or of any city in Canada, less any encumbrances thereon, and the bonds or debentures issued by any company incorporated in Canada in respect of which bonds or debentures annual or semi-annual subsidy payments sufficient to pay both principal and interest thereof are, by virtue of any Act of Canada or of a province thereof, payable by the government of Canada or province thereof to a trust company as trustee for the holders of such bonds or debentures, and the principal amount of any moneys payable to the company on demand, the payment of which is secured by the mortgage or pledge of any of the securities mentioned in this subsection as the said amounts stood at the end of the last preceding month, and including in such return all such cash and securities and loans as defined in this subsection, whether owned by the company or held by it for guaranteed investments under section 80 or 78 and stating that the same were on hand at the date mentioned in the return. 1949, c. 52, s. 142.

Semi-annual return by loan company as to deposits.

**145.** Every loan company receiving deposits shall make a return to the Registrar half-yearly on or before the 15th days of January and July in each year, drawn in accordance with the form prescribed by the Registrar, showing the amount of

the deposits and showing the amount of cash on hand and on deposit and the amount of debentures, bonds, stock or other securities of or guaranteed by Canada, and of or guaranteed by any province of Canada, less any encumbrances thereon, and the amount of bonds, debentures and other securities of any municipal corporation in Ontario or of any city in Canada, less any encumbrances thereon, and the bonds or debentures issued by any company incorporated in Canada in respect of which bonds or debentures annual or semi-annual subsidy payments sufficient to pay both principal and interest thereof are, by virtue of any Act of Canada or of a province thereof, payable by the government of Canada or province thereof to a trust company as trustee for the holders of such bonds or debentures, and the principal amount of any moneys payable to the company on demand, the payment of which is secured by the mortgage or pledge of any of the securities mentioned in this section as such amounts stood at the end of the last preceding month, and stating that the same were at the date mentioned in the return on hand and available for depositors. 1949, c. 52, s. 143.

**146.**—(1) The managing director, manager or secretary of every registered corporation shall prepare annually on the 1st day of January, or within two months thereafter, according to a printed form to be supplied on application to the Registrar, a statement of the financial condition and affairs of the corporation up to the 31st day of December next preceding. Annual statement to the Registrar.

(2) In the case of an extra-provincial corporation, the Registrar may accept the statement required by subsection 1 as for the then last fiscal year of the corporation. Extra-provincial corporation.

(3) Such annual statement shall be certified by the auditors of the corporation who shall make an affidavit thereon stating whether or not their requirements as auditors have been complied with and, Certificate of auditors on annual statement.

- (a) that they have examined the statement and that it agrees with the books of the corporation;
- (b) that after due consideration they have formed an independent opinion as to the position of the corporation;
- (c) that with their independent opinion so formed and according to the best of their information and the explanations given them, they certify that in their opinion the statement sets forth fairly and truly the state of the affairs of the corporation;

(d) that all transactions of the corporation that have come within their notice have been within the powers of the corporation.

Affidavit of president, etc.

(4) Such annual statement shall also be proved by the affidavit of the president or vice-president and of the managing director, or some other principal officer of the corporation, and shall be accompanied by a certified copy of a resolution of the directors showing that the same had been adopted by them.

Time for filing with Registrar.

(5) Such annual statement shall be filed with the Registrar on or before the 1st day of March next ensuing.

Extending time for filing of statement.

(6) On sufficient cause shown and upon payment of the prescribed fee, the Registrar may by writing under his hand and seal of office, before or after the 1st day of March, extend the time for filing the statement.

Penalty for failure to file statement or supply information.

(7) Any corporation that does not file its statement as required by this section, or make prompt and explicit answer to any inquiries then or at any time made by the Registrar touching its contracts, finances, stock, shares, securities, obligations, by-laws or books or, if required, produce for examination its books, records, securities, accounts and vouchers shall be liable to suspension, cancellation, or non-renewal of registry, and shall be liable to a penalty of \$50 for each day of default, but not exceeding in the whole \$1,000.

Extra-provincial corporations.

(8) Where it is made to appear to the Registrar that an extra-provincial corporation does not borrow moneys in Ontario by the sale of its bonds, debentures or other securities or by accepting deposits or other moneys for investment and does not exercise in Ontario any of the powers of a trust company other than the loaning of money in Ontario, the Registrar may direct that this section shall not apply to the corporation, in which case the corporation shall make such returns and give such information as the Registrar requires.

Copy of periodical statements.

(9) The corporation shall file with the statement a certified copy of any statement furnished to shareholders during the year then ended. 1949, c. 52, s. 144.

#### MISCELLANEOUS

Exemption.

**147.** Any amount not exceeding \$300 standing to the credit of any depositor in a registered corporation shall not, while in the hands of the corporation or while in course of transmission from the corporation, be liable to demand, seizure or detention under legal process as against the depositor

or his nominee, assignee or representative, or as against any person to whom the corporation is by sections 148 and 149 authorized to pay such amount. 1949, c. 52, s. 145.

**148.**—(1) A person who,

(a) has on deposit with a corporation a sum not exceeding \$600;

Direction as to disposition of deposits or debentures on death.

(b) is the holder of debentures or guaranteed investment certificates issued by a corporation for a sum not exceeding \$600; or

(c) has on deposit with a corporation a sum and holds debentures or guaranteed investment certificates issued by the corporation, the amounts of which in the aggregate do not exceed \$600,

may by a writing, signed by him and deposited with the corporation, nominate any person to receive the amount thereof at his death.

(2) Subject to *The Succession Duty Act*, upon receiving an affidavit as to the death of a person who has made a nomination under subsection 1 the corporation may substitute on its books the name of the nominee in place of the name of such person or may forthwith pay to the nominee the amount due to such person. 1949, c. 52, s. 146.

Rights of corporation. Rev. Stat., c. 378.

**149.** Subject to *The Succession Duty Act*, where a depositor, debenture holder or holder of a guaranteed investment certificate as described in clause *a*, *b* or *c* of subsection 1 of section 148 dies without making a nomination in accordance with that section, the deposit, debenture or guaranteed investment certificate may, without letters probate or letters of administration being taken out, be paid or transferred to the person who appears to the corporation to be entitled (under the will of such depositor, debenture holder or holder of a guaranteed investment certificate or in the case of an intestacy under the law relating to devolution of property) to receive the same, upon receiving an affidavit of the death and that the person claiming is so entitled. 1949, c. 52, s. 147.

Where no direction.

**150.** Where the corporation, after the death of a depositor, debenture holder or holder of a guaranteed investment certificate, has paid or transferred the deposit, debenture or guaranteed investment certificate to the person who at the time appeared to be entitled thereto, the payment or transfer shall be valid and effectual with respect to any demand from any other person as the legatee or next of kin or as the lawful

Payments by mistake.

representative of the deceased against the corporation, but the legatee, next of kin or representative shall be entitled to recover the amount of the deposit, debenture or guaranteed investment certificate from the recipient or transferee. 1949, c. 52, s. 148.

Service of notices.

**151.** Delivery of any written notice or document to a corporation for any purpose of this Act, where the mode is not otherwise expressly provided, may be by letter delivered at the head or chief office of the corporation in Ontario or its chief agency therein, or sent by registered post addressed to the corporation, its manager or agent at such head or chief office or agency, or by delivering it personally to an authorized agent of the corporation. 1949, c. 52, s. 149.

Application of certain sections of Rev. Stat., c. 59.

**152.** Except where the provisions of this Act are inconsistent, Part XIV of *The Companies Act* shall apply, substituting for the words "Provincial Secretary" the word "Registrar". 1949, c. 52, s. 150.

#### OFFENCES AND PENALTIES

Refusal to make entries or exhibit same, etc.

**153.** Every director, manager, auditor, officer, agent, collector, servant or employee of a corporation who refuses or neglects to make any proper entry in any book of record, entry or account of the corporation, or to exhibit the same, or to allow the same to be inspected or audited, either for the general purposes of the corporation or for the purposes of this Act, and extracts to be taken therefrom, shall be guilty of an offence. 1949, c. 52, s. 151.

False statements or returns.

**154.**—(1) Every person who makes any wilfully false or deceptive statement in any account, statement, return, report or other document respecting the affairs of a corporation shall be guilty of an offence and shall be liable, on conviction thereof, to imprisonment for a term of not more than five years.

Officers' liability.

(2) Every president, vice-president, director, auditor, manager or other officer of a corporation, who,

- (a) prepares, signs, approves or concurs in any such account, statement, return, report or document containing such false or deceptive statement; or
- (b) uses the same with intent to deceive or mislead any person,

shall be held to have wilfully made such false or deceptive statement, and shall further be responsible for all damages sustained by any person in consequence thereof. 1949, c. 52, s. 152.

**155.**—(1) For every contravention of this Act, which is declared to be an offence and for which no other penalty is provided, the offender shall, for the first offence, be liable to a penalty of not less than \$20 and not more than \$200, and for any subsequent offence of the same kind shall be liable to imprisonment for a term of not less than three months and not more than twelve months, or in the case of an organization, society, association, company or corporation to a penalty of not more than \$1,000.

Offences for which no special penalty provided.

(2) The information or complaint shall be laid or made in writing within one year after the commission of the offence.

Limitations of prosecutions.

(3) The penalties imposed under this Act shall be recoverable under *The Summary Convictions Act* and shall belong to the Crown in right of Ontario. 1949, c. 52, s. 153.

Recovery of penalties. Rev. Stat., c. 379.

FEEES

**156.**—(1) The fees for letters patent of incorporation under this Act shall be those set out in Schedule A.

Fees for incorporation.

(2) The fees set out in Schedule B shall be payable in respect of the matters therein mentioned.

Other fees.

(3) The fees shall be payable to the Registrar.

Payment to Registrar.

(4) Where a registered corporation proves to the satisfaction of the Registrar that it is discontinuing business in Ontario, and has given such public notice of intended discontinuance as is required, the fee for registry or renewal of registry, as the case may be, may, on the certificate of the Registrar, be commuted to one-fourth of the prescribed fee; but registry at such commuted fee shall not be granted for more than four years in all, unless for cause shown to the satisfaction of the Registrar, in which case registry may be granted year by year for an additional number of years.

Commutation on proposed discontinuance of business.

(5) In the case of an application or other document or instrument to be filed, examined or deposited, the fee shall be paid before the application or other document or instrument is dealt with, and in the case of registry or certificates of registry the fee shall be paid before the corporation is registered. 1949, c. 52, s. 154.

Time of payment.



## SCHEDULE A

(Section 156 (1))

Fee for Letters Patent of Incorporation:

For a corporation with an authorized capital stock of,

|   |          |
|---|----------|
| (a) \$300,000 but less than \$500,000.....              | \$200 00 |
| (b) \$500,000 but less than \$1,000,000.....            | 250 00   |
| (c) \$1,000,000.....                                    | 350 00   |
| and \$25 for each additional \$100,000 or part thereof. |          |
| (d) Supplementary Letters Patent.....                   | 50 00    |

1949, c. 52, Sched. A.

## SCHEDULE B

(Section 156 (2))

|  |        |
|--|--------|
| 1. Application for initial registry (s. 115).....  | \$5 00 |
| 2. Extension of time not exceeding seven days, or any renewal thereof not exceeding seven days, for filing annual statement, application for renewal of registry, or any other documents or information required under the authority of this Act, provided that the Registrar may grant relief from the payment of this fee in any case in which he thinks for reasons appearing to him to be sufficient, that it should not be imposed..... | 10 00  |
| 3. Filing power of attorney in case of corporations mentioned in section 116.....  | 5 00   |
| 4. Filing new power or change of attorney (s. 116).....  | 5 00   |
| 5. Initial registry Loan or Loaning Land Corporations.....   | 100 00 |
| 6. Initial registry Trust Companies.....   | 150 00 |
| 7. Certificate of renewed registry (s. 117):   |        |
| (a) Where the assets of the corporation amount to not more than \$250,000.....   | 35 00  |
| (b) Where the assets of the corporation exceed \$250,000 but do not exceed \$500,000.....  | 50 00  |
| (c) Where the assets of the corporation exceed \$500,000 but do not exceed \$1,000,000.....  | 75 00  |
| (d) Where the assets of the corporation exceed \$1,000,000 but do not exceed \$1,500,000.....  | 100 00 |
| (e) Where the assets of the corporation exceed \$1,500,000 but do not exceed \$2,000,000.....  | 125 00 |
| (f) Where the assets of the corporation exceed \$2,000,000 but do not exceed \$2,500,000.....  | 150 00 |
| (g) Where the assets of the corporation exceed \$2,500,000 but do not exceed \$3,000,000.....  | 175 00 |
| (h) Where the assets of the corporation exceed \$3,000,000 but do not exceed \$5,000,000.....  | 200 00 |
| (i) Where the assets of the corporation exceed \$5,000,000 but do not exceed \$10,000,000.....   | 250 00 |
| (j) Where the assets of the corporation exceed \$10,000,000.....   | 300 00 |
| (k) Minimum under section 156 (4).....   | 35 00  |

For purposes of this item, capital stock uncalled shall not be deemed an asset.

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| 8. Interim certificate of registry or extension of certificate (s. 117)..... | 5 00 |
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| 9. Revivor of registry after suspension (s. 117):   |         |
| For a corporation within item 7 (a).....  | \$10 00 |
| For a corporation within item 7 (b).....  | 15 00   |
| For a corporation within item 7 (c).....  | 20 00   |
| For a corporation within item 7 (d).....  | 25 00   |
| For a corporation within item 7 (e, f and g).....   | 30 00   |
| For other corporations.....   | 35 00   |
| 10. Change of corporate name (s. 118).....  | 25 00   |
| 11. Change of head office (s. 118).....   | 25 00   |
| 12. Filing annual statement (s. 146).....   | 5 00    |
| 13. Filing new by-laws or amendments thereto after initial<br>registry (s. 29).....   | 2 00    |
| 14. Application for increase, decrease, conversion or alteration<br>of capital stock or shares or declaration or alteration of<br>powers..... | 10 00   |
| (a) Certificate of decrease, conversion or alteration of<br>capital stock or shares or declaration or alteration<br>of powers.....            | 150 00  |
| (b) Order in Council increasing capital stock:  |         |
| i. \$300,000 but less than \$500,000.....   | 200 00  |
| ii. \$500,000 but less than \$1,000,000.....  | 250 00  |
| iii. \$1,000,000.....<br>and \$25 for each additional \$100,000 or part thereof   | 350 00  |
| iv. Supplementary letters patent.....   | 50 00   |
| 15. Application for increase in borrowing powers under section<br>73 (2).....   | 25 00   |
| (a) Order in Council.....   | 200 00  |
| 16. Copy of decision of Registrar, per folio of 100 words.....  | 10      |
| Also for certificate of Registrar.....  | 1 00    |
| 17. Certified copy of entry on register or of certificate.....  | 1 00    |
| 18. Copies of or extracts from documents filed with Registrar,<br>per folio of 100 words.....   | 10      |
| Also for certificate of Registrar.....  | 1 00    |
| 19. Examining and passing upon applications or documents under<br>sections 95 to 103.....   | 25 00   |
| Order in Council and certificate.....   | 200 00  |
| 20. Examining and passing upon applications or documents under<br>sections 26 and 27 of <i>The Trustee Act</i> (Rev. Stat., c. 400).....      | 25 00   |
| Order in Council.....   | 100 00  |
| 21. Examining and passing upon applications or documents under<br>section 81.....   | 25 00   |
| Order in Council.....   | 100 00  |

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