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c 102 Credit Unions and Caisses Populaires Act

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CHAPTER 102
Credit Unions and Caisses Populaires Act

INTERPRETATION

1.—(1) In this Act,

(a) "articles of incorporation" or "articles" means the original or restated articles of incorporation, articles of amalgamation, articles of amendment, memorandum of association, a special Act or other instrument by which a credit union is incorporated and includes any amendment thereto;

(b) "auditor" means a person who is a public accountant licensed under the Public Accountancy Act; R.S.O. 1980, c. 405

(c) "by-law" means a by-law approved under this Act, and includes any amendment or revocation of a by-law approved under this Act;

(d) "capital" means the outstanding amount that has been received from members on account of shares;

(e) "certificate of incorporation" includes the memorandum of association, a special Act or any other instrument by which a credit union is incorporated;

(f) "court" means the Supreme Court of Ontario;

(g) "credit union" means a corporation incorporated as a credit union or caisse populaire under this Act or a predecessor of this Act;

(h) "debt obligation" means a bond, debenture, note or other similar obligation of a corporation, whether secured or unsecured;
(i) "deposit" includes all sums placed on deposit with a credit union;

(j) "Director" means the Director of Credit Unions of the Ministry of Consumer and Commercial Relations;

(k) "financial statement" means a financial statement referred to in section 71;

(l) "league" means a corporation incorporated as a credit union league or federation under this Act or a predecessor of this Act;

(m) "member" means a person who is a member or enrolled as a member of a credit union under this Act, the articles and the by-laws of the credit union governing membership;

(n) "Minister" means the Minister of Consumer and Commercial Relations;

(o) "officer" means the president, any vice-president, treasurer, secretary, manager, assistant treasurer, assistant secretary, assistant manager and any employee who has authority to approve loans and any employee of a credit union who reports directly to the board of directors;

(p) "personal representative" where used with reference to holding shares or having deposits in that capacity, means an executor, administrator, guardian, tutor, trustee, receiver or liquidator, or the committee of or curator to a mentally incompetent person;

(q) "regulations" means the regulations made under this Act;

(r) "related person", where used to indicate a relationship with any person, means any spouse, son or daughter of that person, or any relative of that person or of his spouse, son or daughter who has the same home as that person;

(s) "special resolution" means a resolution that is not effective until it is passed by the board of directors of the credit union and confirmed, with or without variations, by at least two-thirds of the votes cast at a general meeting of the members of the credit union duly called for that purpose;
"Superintendent" means the Superintendent of Insurance;

"surplus" means the aggregate balances of undivided earnings, statutory reserve and other reserves.

(2) For the purposes of this Act, two or more persons holding the same share or shares jointly shall be considered as one member. 1976, c. 62, s. 1.

2.—(1) There shall be a Director of Credit Unions appointed by the Lieutenant Governor in Council, who shall exercise the powers and shall perform the duties conferred or imposed on him by this Act or the regulations under the supervision of the Superintendent.

(2) The Corporations Act does not apply to credit unions or credit union leagues. 1976, c. 62, s. 2.

INCORPORATION

3.—(1) A credit union may be incorporated under this Act by articles of incorporation for the objects stated in section 11 and the incorporation is subject to the approval of the Minister.

(2) Any number of natural persons, not fewer than twenty, who are of the age of eighteen years or more, may apply to be incorporated as a credit union by signing and delivering to the Minister, in duplicate, articles of incorporation in the form prescribed by the regulations together with two copies of the proposed by-laws of the credit union.

(3) The articles of incorporation shall set out:

1. The name of the credit union to be incorporated.

2. The place in Ontario where the head office of the credit union is to be located giving the municipality and the county or district or, where the head office is to be located in a territory without municipal organization, the geographic township and district, if any.

3. The name of each of the incorporators and residence address of each.

4. The number of directors of the credit union, which shall be not fewer than five, and the name and residence address, giving the street and number, if any, of each person who is a first director of the credit union.
5. Any other matter required by this Act or the regulations to be set out in the articles.

(4) The articles may set out any provision that is authorized by this Act to be set out in the articles or that could be the subject of a by-law of the credit union.

(5) The signature of each incorporator and each first director and the fact that each incorporator and each first director is of the age of eighteen years or more shall be verified by affidavit.

(6) The proposed by-laws shall be in accordance with section 16 and if the Director finds the proposed by-laws repugnant to this Act he may direct an amendment before the application is proceeded with.

(7) The Director shall inquire into the circumstances, sufficiency and regularity of the articles of incorporation and accompanying proposed by-laws delivered to the Minister and may require any matter to be verified under oath and shall report thereon to the Minister.

(8) Where the Director reports to the Minister that the articles of incorporation should not be filed, his report shall include the reasons therefor and a copy of his report shall be delivered to the incorporators.

(9) The incorporators may, within fifteen days after receiving the report and reasons of the Director under subsection (8), make written submissions to the Minister in respect thereof.

(10) After considering the report of the Director and the submissions, if any, of the incorporators, the Minister may, in his discretion and after all prescribed fees have been paid,

(a) endorse on the duplicate of the articles the words "Filed" and the day, month and year of the filing thereof;

(b) file one of the duplicates in his office; and

(c) issue to the incorporators or their agent a certificate of incorporation to which he shall affix the other duplicate.

(11) A credit union comes into existence upon the date set forth in its certificate of incorporation and the certificate of incorporation, the articles of incorporation, and the by-laws
of the credit union, together with this Act, constitute the charter of the credit union.

(12) A certificate of incorporation is conclusive proof that all conditions precedent required to be performed by the incorporators have been complied with and that the credit union has been incorporated under this Act, except in a proceeding under section 122. 1976, c. 62, s. 3.

4.—(1) No credit union shall be incorporated under a name identical with that of any other credit union or of any corporation or organization or under a name so nearly resembling that of any other credit union, corporation or organization as, in the opinion of the Minister, to be likely to deceive or under a name that may otherwise, in the opinion of the Minister, be objectionable on public grounds.

(2) If a credit union, through inadvertence or otherwise, has acquired a name contrary to subsection (1), the Minister may, after he has given the credit union an opportunity to be heard, issue a certificate of amendment to the articles changing the name of the credit union to the name specified in the certificate, and upon issuance of the certificate of amendment, the articles are amended accordingly. 1976, c. 62, s. 4.

5.—(1) The name of a credit union shall include the words “credit union” or “caisse populaire” as part thereof.

(2) The name of a credit union shall have the words “Limited” or “Limitée”, or “incorporated” or “incorporée”, or its corresponding abbreviation “Ltd”, “Ltée”, or “Inc” as the last word thereof.

(3) Notwithstanding subsection (1), a credit union incorporated under a predecessor of this Act may continue to use the name under which it was incorporated. 1976, c. 62, s. 5.

6. Notwithstanding section 5, a credit union may use its name in such form and in such language as the articles provide and as the Minister approves. 1976, c. 62, s. 6.

7. A change of name of a credit union does not affect its rights and obligations. 1976, c. 62, s. 7.

8. Any person, not being a credit union or league to which this Act applies, who carries on business under a name or title in which the words “credit union” or “caisse populaire” are used is guilty of an offence. 1976, c. 62, s. 8.

9.—(1) A credit union shall have a seal, which shall be adopted and may be changed by resolution of the directors.
(2) The name of the credit union shall appear in legible characters on the seal. 1976, c. 62, s. 9.

10.—(1) A credit union shall at all times have its head office in Ontario at the place where its articles provide.

(2) A credit union may by by-law change the geographic location of its head office to another place in Ontario if such change would better serve its purpose and objects. 1976, c. 62, s. 10.

11.—(1) The articles of a credit union shall state its objects and purposes as being the promotion of co-operative enterprise, the facilitating of the accumulation of savings and the creation of a source of credit for its members at conscionable rates of interest and the provision of full financial services for its members and every credit union shall be deemed to have such objects in its articles.

(2) For the purpose of carrying out its objects, subject to the other provisions of this Act, the regulations, the articles and the by-laws of the credit union, every credit union has power as incidental and ancillary to its objects,

1. to receive moneys on deposit from members and as payment for shares;

2. to make loans to members, with or without security;

3. to make loans to other credit unions, where the loans are approved by the Ontario Share Deposit Insurance Corporation;

4. to deposit moneys with, invest in shares of, or make loans to, any league;

5. to make donations and gifts out of the surplus income or any undivided earnings for the purpose of advancing the interest of the credit union or of credit unions generally and for charitable purposes;

6. to purchase, lease, or take in exchange, hire or otherwise acquire any personal property and any right or privilege the credit union considers necessary or convenient for the purpose of the credit union;

7. to invest funds of the credit union;

8. where authorized to do so by a special resolution, to sell, lease, exchange or otherwise dispose of all or substantially all the property of the credit union for such consideration as the credit union considers appropriate;
9. to construct, maintain and alter any buildings or works necessary for its objects;

10. to lease and, where authorized by by-law, to acquire by purchase or otherwise and hold any real property or interest therein necessary for its present or future use and occupation or for carrying on its undertaking, and, when no longer necessary therefor, to sell, alienate or convey it;

11. to take, hold, alienate, realize on, or otherwise dispose of any real or personal property that has been mortgaged or pledged to the credit union by way of security for, or conveyed to it in satisfaction of loans made in the course of business or otherwise purchased for the purpose of avoiding a loss to the credit union;

12. to draw, make, accept, endorse, execute, discount and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments;

13. subject to such conditions as are prescribed by the regulations, to establish and operate branch offices to provide credit union services;

14. to pay all costs and expenses of, or incidental to, the incorporation and organization of the credit union;

15. to establish and support or aid in the establishment and support of or the subscription to, associations, institutions, funds or trusts for the benefit of employees or former employees of the credit union or its predecessors, or the dependants or connections of such employees or former employees, and grant pensions and allowances, and make payments towards insurance or for any object similar to those set forth in this paragraph, and to subscribe or guarantee money for charitable, benevolent, educational or religious objects or for any exhibition or for any public, general or useful objects;

16. to adopt means of making known the services of the credit union, and in particular by advertising, by purchase and exhibition of works of art or interest, by publication of books and periodicals or by granting prizes, rewards and making donations;
17. to deposit money in chartered banks, the Province of Ontario Savings Office, or loan companies and trust companies registered under the Loan and Trust Corporations Act;

18. to contract and sue and be sued in the corporate name;

19. to purchase group insurance for its members;

20. to perform any of the things authorized by this section as principal or agent and either alone or in conjunction with others;

21. to perform all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the credit union;

22. to have perpetual succession;

23. to carry on any other business capable of being conveniently carried on in connection with its business or likely to enhance the value of or make profitable any of its property or rights;

24. to acquire and hold shares in any other company having objects altogether or in part similar to those of the credit union or carrying on any business capable of being conducted so as to benefit the credit union;

25. to sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with the property of the credit union in the ordinary course of its business;

26. to provide safekeeping facilities and services for personal property;

27. to provide services for the collection and payment of moneys from and on behalf of its members;

28. to provide such programs and services for its members as in the opinion of the board of directors may assist the members to meet their financial or social needs;

29. subject to the approval of the Director, to accept custody of assets for specific purposes or under specific terms and conditions and to act as an agent
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to carry out such purposes, such purposes to include, but not be restricted to, the custody of funds deposited under registered retirement savings plans and registered home ownership savings plans.

(3) Any of the powers set out in subsection (2) may be withheld or limited by the articles.

(4) Every credit union may exercise its powers beyond the boundaries of Ontario to the extent to which the laws in force where the powers are sought to be exercised permit, and may accept extra-provincial powers and rights. 1976, c. 62, s. 11.

LEAGUES

12.—(1) Ten or more credit unions may be incorporated as a league or federation for the object and purpose of,

(a) protecting and advancing the credit unions that are members of the league;

(b) providing encouragement and assisting in programs and activities contributing to the growth and development of member credit unions;

(c) conducting training programs for the general improvement of managers, employees and members of the board of directors and committees of member credit unions;

(d) arranging for pension plans, group bonding and group insurance of all kinds for the officers, employees and members of credit unions and assisting in repayment of loans made by credit unions to their members;

(e) receiving moneys from their member credit unions or the Ontario Share Deposit Insurance Corporation, either as payment on shares or as deposits;

(f) making loans to credit unions that are members of the league;

(g) providing services to or for its member credit unions that, in the opinion of the directors of the league, are incidental or conducive to the sound operation or to the attaining of the purposes of its members.

(2) Any competent person authorized by a league may examine into the affairs of any credit union that is a member of the league and for such purpose he shall be given access.
to all books, records and other documents of the credit union and he may make whatever inquiries are necessary to ascertain its true condition and its ability to provide for the payment of its liabilities as they become due, and the officers and employees of the credit union shall facilitate him in his examination and inquiry.

(3) The provisions of this Act applicable to credit unions apply with necessary modifications to leagues and their incorporation except where inconsistent with this section, but the Lieutenant Governor in Council may by regulation declare that any provision of this Act does not apply to leagues.

(4) Every league has power as incidental and ancillary to its objects,

(a) to apply to and enter into any agreement with the Canada Deposit Insurance Corporation, the Ontario Share and Deposit Insurance Corporation, the Government of Canada, the Government of Ontario, a chartered bank or other corporation or person, to obtain loans or other financial assistance;

(b) to act as agent or subagent for primary or secondary distribution of bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Canada or any province or municipal corporation in Canada and for that purpose trade in such bonds, debentures or other evidences of indebtedness to the extent necessary;

(c) to become a member of, buy shares in, deposit money with or borrow money from any other league or any co-operative credit society or association as defined in the Co-operative Credit Associations Act (Canada) or any other like institution incorporated under the laws of Canada or any province;

(d) when authorized by the Director, to establish, arrange for and maintain trust funds for the benefit of the member credit unions;

(e) to invest in the fully paid shares of,

(i) any corporation registered under the Loan and Trust Corporations Act, or

(ii) with the approval of the Superintendent, any company incorporated to carry on any other business reasonably ancillary to the business of a credit union or a league,
but if such investment exceeds 30 per cent of the voting common shares of a corporation, the league shall own at least 51 per cent of the voting common shares of the corporation;

(f) to provide such other services as may be authorized by the regulations.

(5) A league may accept and exercise all rights, powers, privileges and immunities conferred on it by the *Co-operative Credit Associations Act* (Canada).

(6) Any credit union that is a member of a league may withdraw from membership if authorized by resolution passed by a majority of the votes cast at a general meeting duly called for the purpose. 1976, c. 62, s. 12.

CONTRACTS

13.—(1) No act of a credit union and no transfer of real or personal property to or by a credit union, otherwise lawful, that is heretofore or hereafter done or made, is invalid by reason of the fact that the credit union was without capacity or power to do such act or make or receive such transfer, but such lack of capacity or power may be asserted,

(a) in a proceeding against the credit union by a member under subsection (2);

(b) in a proceeding by the credit union, whether acting directly or through a receiver, liquidator, trustee or other legal representative or through members in a representative capacity, against a director or officer or former director or officer of the credit union; or

(c) as cause for the cancellation of the certificate of incorporation of the credit union.

(2) A member of a credit union may apply to the court for an order to restrain the credit union from doing any act or transferring or receiving the transfer of real or personal property on the ground that the credit union lacks capacity or power for the purpose, and the court may, if it considers it to be just and equitable, grant an order prohibiting the credit union from doing the act or transferring or receiving the transfer of the real or personal property, but, where the act or transfer sought to be restrained or prohibited is being or to be done or made under a contract to which the credit union is a party,
14.—(1) A contract that if entered into by an individual person would by law be required to be in writing and under seal may be entered into on behalf of a credit union in writing under the seal of the credit union.

(2) A contract that if entered into by an individual person would by law be required to be in writing signed by the parties to be charged therewith may be entered into on behalf of a credit union in writing signed by any person acting under its express authority.

(3) A contract that if entered into by an individual person would by law be valid although made by parol only and not reduced into writing may be entered into by parol on behalf of a credit union by any person acting under its express authority. 1976, c. 62, s. 14.

15. A credit union shall not acquire, purchase or lease real estate for its own use where the cost of such real estate or building or of the lease over its duration is in an amount equal to more than 8 per cent of the total share capital and deposits of the credit union without the prior written consent of the Director. 1976, c. 62, s. 15.

BY-LAWS

16.—(1) The directors may pass by-laws not contrary to this Act or to the articles to regulate,

(a) the fees, terms and conditions of admission to, and withdrawal, suspension and expulsion from, membership in the credit union;

(b) the allotment and recording of shares, the maximum number that may be allotted to any member, the payment for shares and the withdrawal or transfer of shares;

(c) the terms, conditions and limitations under which deposits may be made with or withdrawn from the credit union;
(d) the terms, conditions and limitations for loans made by the credit union and the interest thereon;

(e) the time and place of and the notice and the record date for the determination of members entitled to vote to be given for the holding of meetings of members and of the board of directors, the quorum of meetings of members and the procedure and language to be used in all matters relative to the operation of the credit union;

(f) the time for and manner of election of directors, and the remuneration of directors;

(g) the appointment, remuneration, functions, duties and removal of officers and employees of the credit union and the security, if any, to be given by them to it;

(h) the purposes for which the profits of the credit union may be appropriated or distributed by way of rebate of interest on loans, by dividends or otherwise;

(i) where the credit union is a member of a league, a yearly assessment of its members to be paid to the league to assist in its financing;

(j) the conduct in all other particulars of the affairs of the credit union.

(2) Subject to clause (1) (i), a credit union may become a member of a league by resolution passed by a majority of the votes cast at a general meeting duly called for the purpose. 1976, c. 62, s. 16.

17.—(1) A by-law relating to the remuneration of directors may provide that the board of directors by resolution shall fix the remuneration and period for which it is to be paid.

(2) A by-law may provide that the board of directors may by resolution exercise the powers referred to in clause 16 (1) (c), (d), (g) or (h). 1976, c. 62, s. 17.

18.—(1) No by-law is effective until it is,

(a) passed by the board of directors of the credit union;

(b) confirmed, with or without variation, by at least two-thirds of the votes cast at a general meeting of the members of the credit union duly called for that purpose, or such greater proportion of the votes cast as the articles provide; and
(c) approved by the Director in the manner prescribed in this section.

Submission to Director

(2) Upon the confirmation of a by-law under clause (1)(b), the board of directors shall forward to the Director two copies thereof signed by two officers or one officer and one director.

Approval by Director

(3) The Director shall signify his approval by certifying the approval on one copy of the by-law with the date of the approval and returning it to the credit union.

Amendments upon approval

(4) Any amendment required by the Director as a condition of his approval may be made by the board of directors unless the amendment alters the intent of the by-law. 1976, c. 62, s. 18.

Copies of by-laws

19. A copy of the by-laws of a credit union shall be delivered by the credit union to a member on demand on payment of a fee fixed by the by-laws, which shall not exceed the amount prescribed therefor by the regulations. 1976, c. 62, s. 19.

CAPITAL

20.—(1) The capital of a credit union shall be divided into shares with par value and the amount thereof shall be determined by the by-laws of the credit union, but the par value of each share shall in no case exceed $10.

Capital, how increased and diminished

(2) The subscribed capital of a credit union may, subject to the by-laws, be increased by payment for shares by members, and may be diminished by withdrawal of such payments by members.

Fully paid shares only

(3) No share in a credit union shall be allotted until it is fully paid for and a share is not fully paid until payment in cash therefor has been received by the credit union.

No commission on shares

(4) No commission, discount, allowance or other compensation shall be paid or allowed by a credit union in consideration of the subscription for or sale of any of its shares.

Shares are personal property

(5) The shares of a credit union are personal property.

Additional shares

(6) The payment on account of shares by a member and the receipt thereof by a credit union shall be deemed to be an allotment of such shares to the members.

Member's liability for shares

(7) A member is not liable to the credit union for shares subscribed for in excess of the amount actually paid thereon.

Where capital impaired

(8) Where the board of directors determines that the credit union has suffered an impairment of capital, the board may
by resolution fix the proportion of money invested in shares that may be withdrawn, and so long as any impairment of capital exists, may from time to time change the proportion that may be withdrawn.

(9) No member of a credit union shall withdraw any portion of the money invested in shares in excess of the proportion specified in the resolution under subsection (8), or set off against any debts owing by him to the credit union a greater proportion of the money invested in shares than is specified in the resolution.

(10) No resolution passed under subsection (8) applies to money invested in shares after the date of the resolution. 1976, c. 62, s. 20.

BORROWING

21.—(1) Subject to the qualifications, limitations and restrictions in this Act, the board of directors of a credit union, when authorized by by-law, may,

(a) borrow money by way of loan, exclusive of money received on deposit, at such rates of interest and upon such terms as the board of directors may from time to time determine in an amount, exclusive of money on deposit, not exceeding 25 per cent of the paid-in capital, deposits and surplus of the credit union, but when specifically authorized by by-law, the total amount borrowed, exclusive of money received on deposit, may be an amount not exceeding 50 per cent of the total of the paid-in capital, deposits and surplus of the credit union;

(b) subject to clause (a), charge, mortgage, hypothecate or pledge all or any currently owned or subsequently acquired real or personal, movable or immovable property of the credit union, including book debts, rights, powers and franchises and undertaking, to secure any debt obligation or any money borrowed, or other debt or liability of the credit union.

(2) Clause (1)(a) does not apply to a league. 1976, c. 62, s. 21.

22.—(1) A credit union shall not borrow by the issue of a debenture. 1976, c. 62, s. 22.

23. The Director may from time to time inquire into the borrowing of a credit union and may limit the authority of the board of directors of a credit union to further borrow by giving notice of the limitation by registered mail to the
board setting forth his reasons for limiting the borrowing powers and a credit union shall not exercise its borrowing powers in excess of any limitation imposed by the Director. 1976, c. 62, s. 23.

REGISTERS

24.—(1) Every credit union shall keep a register of members and shares.

(2) A statement as to,

(a) the names and addresses of the members and the number of shares held by each member;

(b) the date on which the name of any person was entered in the register as a member; or

(c) the date on which any person ceased to be a member,

purporting to be certified by the secretary is, without proof of the office or signature of the secretary, receivable in evidence as prima facie proof of the facts stated therein for all purposes in any action, proceeding or prosecution.

(3) Every credit union shall keep or cause to be kept the following documents and registers in either English or French only,

(a) a copy of its articles;

(b) the by-laws and resolutions, including special resolutions, of the credit union;

(c) a register of the members of the board of directors, credit committee and supervisory committee, and all officers of the credit union, setting out their names, residence addresses, giving the street and number, if any, and occupations, with the several dates on which they have become or ceased to be a member of such board or committee;

(d) a register of all securities held by the credit union;

(e) books of account and accounting records with respect to all financial and other transactions of the credit union as may be required by the Director;

(f) the minutes of all proceedings at meetings of members, directors and any committees. 1976, c. 62, s. 24.

MEMBERS

25. Subject to the provisions of this Act and its articles, membership in a credit union is governed by its by-laws. 1976, c. 62, s. 25.
26.—(1) Each incorporator of a credit union who has subscribed for a share in the credit union becomes a member upon the effective date of incorporation and shall be entered upon the register of members.

(2) A subscription for shares in a credit union constitutes an application for membership and the allotment of a share to the applicant constitutes admission to membership.

(3) Subject to subsection (1), no person shall become a member of a credit union until his application for membership has been approved by the board of directors or an officer authorized by the board and the applicant has complied fully with the by-laws governing admission of members. 1976, c. 62, s. 26.

27.—(1) Subject to subsection (2), the by-laws of every credit union shall provide that the membership of the credit union shall be limited to persons or related persons having a common bond of occupation or association or to persons or related persons residing or working within a municipality, neighbourhood or other reasonably well-defined community.

(2) A credit union may apply to the Director for the repeal from its by-laws of the provisions referred to in subsection (1) and the Director, if he is satisfied that the credit union has a sufficient membership, capital and money on deposit and is being operated in a satisfactory manner, may approve the repealing by-law and permit its filing on such terms as the Director sees fit.

(3) The Director shall not approve a by-law of a credit union under subsection (2) unless the credit union proposes to have a full-time management and a self-contained place of business and would be, in his opinion, capable of providing a satisfactory service to its members. 1976, c. 62, s. 27.

28. Every person whose name is registered in the register of members is entitled to,

(a) a passbook or other record specifying the amount paid upon shares, deposits and loans by him; and

(b) such other information as may be prescribed by the by-laws of the credit union,

and the passbook or other record is admissible in evidence as prima facie proof of membership and of the information entered therein. 1976, c. 62, s. 28.
Voting

29.—(1) A member of a credit union has only one vote.

(2) No member of a credit union shall vote by proxy except when such member is a corporation, an unincorporated association or a municipality as defined in the Municipal Affairs Act. 1976, c. 62, s. 29.

Liability of members

30. A member is not responsible for any act, default or liability of the credit union, or for any engagement, claim, payment, loss, injury, transaction, matter or thing relating to or connected with the credit union beyond the amount paid on his share or shares. 1976, c. 62, s. 30.

Not bound by trust

31. A credit union is not bound to see to the execution of any trust, whether express, implied or constructive, to which any share or deposit is subject. 1976, c. 62, s. 31.

Shares in trust

32. A member, in addition to holding shares in his own name, may subscribe for and hold shares and make deposits in trust for a named beneficiary, and such beneficiary without payment of any entrance fee shall be deemed to be a member of the credit union only for the purpose of qualifying for life insurance under a group policy of insurance purchased by the credit union on the lives of its members and is not entitled to notice of meetings or to vote at meetings. 1976, c. 62, s. 32.

Joint accounts

33. Two or more members may hold their shares and deposits in a joint account and, in the absence of written notice to the contrary, payment by the credit union to any of such members or to the survivor or any of the survivors of such members of any money standing to the credit of the joint share or deposit account discharges the credit union from any further liability for such payment. 1976, c. 62, s. 33.

Ages of members

34.—(1) A person under the age of eighteen years may be a member of a credit union, and every such member may enjoy all the rights of a member and execute all instruments and give all acquittances necessary to be executed or given but is not entitled to vote unless permitted to do so by the by-laws.

(2) Subject to the by-laws, a member under the age of eighteen years does not have the right to borrow any amount in excess of his deposits in the credit union except upon a joint and several promissory note signed by him and by a person eighteen years of age or over.

Right to borrow

(3) A member under the age of eighteen years may deposit money with a credit union in his own name, and the money so deposited may be repaid to him, and he
may give a valid discharge therefor, notwithstanding his minority. 1976, c. 62, s. 34.

35. A corporation including a municipality as defined in the Municipal Affairs Act, an unincorporated association or a partnership registered under the Partnerships Registration Act may become a member of a credit union on such terms and conditions as are prescribed by the regulations. 1976, c. 62, s. 35.

36.—(1) Subject to section 37 and, where the death occurred on or before the 10th day of April, 1979, subject to The Succession Duty Act, being chapter 449 of the Revised Statutes of Ontario, 1970, where a transmission of a share in a credit union takes place by virtue of any testamentary act or instrument, or in consequence of an intestacy, if 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 any country, the probate of will or letters of administration or document testamentary or other judicial or official instrument or an authenticated copy thereof, or an official extract therefrom, may, together with a declaration in writing showing the nature of the transmission and signed and executed by the person claiming by virtue thereof, be produced and deposited with the secretary or officer named by the board of directors of the credit union for the purpose of receiving it.

(2) The production and deposit specified in subsection (1) shall be sufficient authority to the board of directors to pay the amount or value of any obligation on shares, in pursuance of and in conformity with the letters probate, letters of administration or other instrument. 1976, c. 62, s. 36, revised.

37.—(1) Where a member of a credit union dies, the credit union may pay,

(a) an amount not exceeding an amount prescribed by the regulations out of the amount on deposit in the name of the deceased or for the shares of the deceased; and

(b) an amount not exceeding an amount prescribed by the regulations out of any money that is received by the credit union under any policy of insurance on the life of the deceased,

to any person who the board is satisfied, by statutory declaration attested to not sooner than thirty days after the death, is entitled.

(2) A payment made under subsection (1) discharges any obligation of the credit union or its board of directors in payment
respect of the money paid but does not affect the right of any other person claiming to be entitled to recover such money from the person to whom it was paid.

(3) Where a member of a credit union dies holding shares or money on deposit in his name in trust for a named beneficiary, the credit union may pay the amount of such shares or deposit and any interest thereon to the executor or administrator of the estate of the deceased member, subject to the trusts or, where there is no executor or administrator, to the beneficiary or, where the beneficiary is a minor, to his parent or guardian. 1976, c. 62, s. 37.

38. A credit union has a lien on the shares and deposits of a member for any debt due to it by him, and may set off any sum standing to the credit of such member on the books of the credit union in or towards the payment of such debt. 1976, c. 62, s. 38.

39. Where moneys are held by a credit union for the credit of one of its members by reason of a deposit made or shares held by such member and the credit union is unable after reasonable efforts to locate the person entitled to such moneys, the credit union may pay such moneys to the Treasurer of Ontario and the Treasurer of Ontario may pay such moneys to the person entitled thereto upon satisfactory proof being furnished that he is the person entitled to receive such moneys. 1976, c. 62, s. 39.

40.—(1) A member of a credit union may withdraw from the credit union at any time by giving notice thereof in accordance with the by-laws.

(2) A deceased member shall be deemed to have given notice to the credit union of his intention to withdraw on the day of his death.

(3) All amounts paid to the credit union on shares and deposits by a withdrawing member shall, after deducting all amounts due from the member to the credit union, be paid to such member within ninety days of his giving notice of his intention to withdraw.

(4) A withdrawing member is entitled to receive any dividend, interest or rebate of loan interest paid or payable to other members of the credit union as at the date of his withdrawal on the same conditions that the board of directors have made applicable to all members of the credit union.

(5) Subject to subsection (3), a member who has given notice of withdrawal, or is expelled from a credit union,
has no further rights in the credit union, but he is not, by
the withdrawal or expulsion, released from any remaining
liability to the credit union.

(6) Where, in the opinion of the board of directors of
the credit union, the payments in accordance with sub-
sections (3) and (4) would not be in the best interests of the
credit union, the board may by resolution suspend such
payments for a period of one year or for such greater
period and on such terms and conditions as the Director
may approve. 1976, c. 62, s. 40.

41.—(1) Subject to subsection (2), a member may be
expelled from membership in a credit union for misconduct
in the affairs of the credit union or for failure to abide by
the conditions of membership set out in the by-laws by a
resolution passed by a majority of the members at a meeting
duly called for that purpose.

(2) A resolution under subsection (1) is not valid unless,

(a) a charge constituting grounds for expulsion has been
made against the member by another member by
filing with the board of directors full particulars in
writing of such misconduct signed by him;

(b) the member charged has been furnished with a
copy of the particulars at least four weeks before
the meeting at which the resolution is to be con-
sidered; and

(c) an opportunity is given to the member charged to
appear either personally or by counsel or agent
to make submissions at the meeting of the members
called to consider the resolution expelling him.

(3) The notice calling the meeting of members shall state
that the charge has been made and specify the names of the
members concerned.

(4) A member who is expelled is entitled to a refund
of the amount paid on his shares and his deposits with
the credit union as well as any dividends, interest or
rebate of loan interest paid or payable to other members
of the credit union as of the date of his expulsion on the
same conditions as the board of directors has made applicable
to all members of the credit union. 1976, c. 62, s. 41.

42.—(1) Subject to subsection (2), a member of a credit
union may maintain an action in a court of competent
jurisdiction in a representative capacity for himself and all other members of the credit union suing for and on behalf of the credit union to enforce any right, duty or obligation owed to the credit union under this Act or under any other statute or rule of law or equity that could be enforced by the credit union itself, or to obtain damages for any breach of any such right, duty or obligation.

(2) An action under subsection (1) shall not be commenced until the member has obtained an order of the court permitting the member to commence the action.

(3) A member may, upon at least seven days notice to the credit union, apply to the court for an order referred to in subsection (2), and, if the court is satisfied that,

(a) the member was a member of the credit union at the time of the transaction or other event giving rise to the cause of action;

(b) the member has made reasonable efforts to cause the credit union to commence or prosecute diligently the action on its own behalf; and

(c) the member is acting in good faith and it is \textit{prima facie} in the interests of the credit union or its members that the action be commenced,

the court may make the order upon such terms as the court thinks fit.

(4) At any time or from time to time while an action commenced under this section is pending, the plaintiff may apply to the court for an order for the payment to the plaintiff by the credit union of reasonable interim costs, including solicitor's and counsel fees and disbursements, for which interim costs the plaintiff shall be accountable to the credit union if the action is dismissed on final disposition at the trial or on appeal.

(5) An action commenced under this section shall not be discontinued, settled or dismissed for want of prosecution without the approval of the court and, if the court determines that the interests of the member or any class thereof may be substantially affected by such discontinuance, settlement or dismissal, the court, in its discretion, may direct that notice in manner, form and content satisfactory to the court shall be given, at the expense of the credit union or any other party to the action as the court directs, to the members or class thereof whose interests the court determines will be so affected. 1976, c. 62, s. 42.
43.—(1) Each of the persons named as first directors in the articles of a credit union is a director of the credit union until replaced by a person duly elected or appointed in his stead.

(2) The first directors of a credit union have all the powers and duties and are subject to all the liabilities of directors. 1976, c. 62, s. 43.

44.—(1) Every credit union shall have a board of directors who shall be elected from its members in the manner provided in its by-laws and who shall hold office for such term as the by-laws provide and until their successors are elected.

(2) A credit union may by by-law increase or decrease the number of its directors set out in the articles, subject to the minimum.

(3) A member entitled to vote at an election of directors, if he votes, shall cast thereat a number of votes equal to the number of directors to be elected, and the member shall distribute the votes among the candidates in such manner as he sees fit, but no candidate shall receive more than one vote from each member. 1976, c. 62, s. 44.

45.—(1) No person shall be a director of a credit union unless he is a member thereof and of the full age of eighteen years, and, if he ceases to be a member, he thereupon ceases to be a director.

(2) No member shall be a director of a credit union unless he is a Canadian citizen, or is a person lawfully admitted to Canada for permanent residency who is ordinarily resident in Canada.

(3) No person shall be a director of a credit union who is a full-time employee of the credit union. 1976, c. 62, s. 45.

46.—(1) The board of directors shall manage or supervise the affairs and business of the credit union and perform such duties as are prescribed by this Act, the regulations and the by-laws of the credit union.

(2) The by-laws may provide for the election and retirement of directors in rotation, but in that case no director shall be elected for a term of more than three years.

(3) A majority of the board of directors constitutes a quorum.
Continuance in office

(4) If an election of directors is not held within the prescribed period, the directors continue in office until their successors are elected.

Vacancies

(5) Where a vacancy occurs in the board and a quorum of directors remains, the directors remaining in office may appoint a qualified person to fill the vacancy until the next annual meeting of the credit union.

Where no quorum

(6) When there is not a quorum of directors in office, the director or directors then in office shall forthwith call a general meeting of the members to fill the vacancies, and, in default or if there are no directors then in office, the meeting may be called by any member. 1976, c. 62, s. 46.

Expulsion of directors

47.—(1) When a member of the board of directors fails to attend three consecutive meetings of the board without, in the opinion of the board, having a reasonable cause therefor or fails to perform any of the duties allotted to him as a director, his position on the board may be declared vacant by the remaining directors who may appoint a qualified person to fill the vacancy until the next annual meeting of the credit union.

(2) The members may, by resolution passed by two-thirds of the votes cast at a general meeting duly called for the purpose, remove a director before the expiration of his term of office, and shall by vote cast at that meeting elect another director in his stead for the remainder of his term.

Notice

(3) The notice calling the meeting of the members referred to in subsection (2) shall specifically state that the purpose of the meeting is to remove the director who is named therein.

Right to make representations

(4) The director has the right at the meeting to make such representations to the members regarding the resolution for his removal as he thinks fit and may be represented by legal counsel or an agent. 1976, c. 62, s. 47.

Credit committee

48.—(1) Subject to section 50, every credit union shall have a credit committee who shall be elected from its members in the manner prescribed by its by-laws and who shall hold office for such term as the by-laws provide and until their successors are elected.

Number of members

(2) The credit committee shall consist of the number of members fixed by the by-laws, which shall be not fewer than three.

Qualifications

(3) No person who is a member of the board of directors
or of the supervisory committee or who is an officer of the credit union shall be a member of the credit committee, except that the president may be a member of the credit committee if he is so authorized by by-law.

(4) No member shall be a member of the credit committee unless he is of the full age of eighteen years.

(5) A majority of the credit committee, not including the president, constitutes a quorum.

(6) A member entitled to vote at an election of members of the credit committee, if he votes, shall cast thereat a number of votes equal to the number of members of the credit committee to be elected, and the member shall distribute the votes among the candidates in such manner as he sees fit, but no candidate shall receive more than one vote from each member.

(7) Where a vacancy occurs in the credit committee, the board of directors may fill all vacancies until the next annual meeting of the credit union.

(8) The by-laws of the credit union may provide for the election and retirement of members of the credit committee in rotation, but in that case no member of the credit committee shall be elected for a term of more than three years. 1976, c. 62, s. 48.

49.—(1) The credit committee shall consider all applications for loans and within the limits provided in the by-laws approve all loans to members of the credit union and perform such duties as are prescribed by this Act, the regulations and the by-laws of the credit union.

(2) When a member of the credit committee fails to attend three consecutive meetings without, in the opinion of the other members of the committee, having a reasonable cause therefor or fails to perform any of the duties allotted to him as a member of the committee, his position on the committee may be declared vacant by the other members of the committee who may then appoint a qualified person to fill the vacancy until the next annual meeting of the credit union. 1976, c. 62, s. 49.

50.—(1) The board of directors of a credit union may by by-law appoint one or more persons who are employees of the credit union, to act as a loan officer and perform all or such part of the duties of the credit committee as are specified by the by-law.
(2) If the by-law provides that the person or persons so appointed shall perform all the duties of the credit committee, it shall also provide that as long as the by-law remains in force, it shall not be necessary to elect a credit committee as required by section 48 or that, as long as the by-law remains in force, the credit committee shall have only the powers of an advisory committee. 1976, c. 62, s. 50.

51. — (1) The credit committee may, upon such terms and conditions as the board of directors may specify, authorize the treasurer, manager or other employee of the credit union to approve loans to a member.

(2) Any person authorized by the credit committee to approve loans under subsection (1) shall submit a written monthly report to the credit committee stating the number of loan applications received, the number of loans granted and the security, if any, obtained for such loans.

(3) The responsibilities and duties of any person authorized to approve loans under subsection (1) is concurrent with the responsibilities and duties of the credit committee. 1976, c. 62, s. 51.

52. The credit committee shall hold meetings not more than three months apart, shall keep minutes of its meetings and shall,

(a) submit a written report to the board of directors stating the number of loan applications received, the number and category of loans granted, the security obtained for such loans together with a report on applications denied and a report on all loans that are delinquent; and

(b) submit a written annual report on such matters to the annual meeting of the credit union. 1976, c. 62, s. 52.

53. — (1) The members may, by resolution passed by two-thirds of the votes cast at a general meeting duly called for the purpose, remove a member of the credit committee before the expiration of his term of office, and shall by vote cast at that meeting elect another member in his stead for the remainder of his term.

(2) The notice calling the meeting of members referred to in subsection (1) shall specifically state that the purpose of the meeting is to remove the member of the credit committee who is named therein.
(3) The member of the credit committee has the right to make such representations at the meeting regarding the resolution for his removal as he thinks fit, and may be represented by legal counsel or an agent. 1976, c. 62, s. 53.

SUPERVISORY COMMITTEE

54.—(1) Subject to section 58, every credit union shall have a supervisory committee who shall be elected from its members in the manner prescribed in its by-laws and shall hold office for such term as the by-laws provide and until their successors are elected.

(2) The supervisory committee shall consist of the number of members fixed by the by-laws, which shall be not fewer than three.

(3) No person who is a member of the board of directors or credit committee or who is an officer of the credit union shall be a member of the supervisory committee.

(4) No member shall be a member of the supervisory committee unless he is of the age of eighteen years.

(5) A majority of the supervisory committee constitutes a quorum.

(6) A member entitled to vote at an election of members of the supervisory committee, if he votes, shall cast thereat a number of votes equal to the number of members of the supervisory committee to be elected, and the member shall distribute the votes among the candidates in such manner as he sees fit, but no candidate shall receive more than one vote from each member.

(7) Where a vacancy occurs in the supervisory committee, the board of directors may fill all vacancies until the next annual meeting of the credit union.

(8) The by-laws of the credit union may provide for the election and retirement of members of the supervisory committee in rotation, but in that case no member shall be elected for a term of more than three years. 1976, c. 62, s. 54.

55.—(1) The supervisory committee shall examine the books of the credit union, confirm the cash instruments, property and securities of the credit union and confirm the deposits of the members and perform such other duties as
are prescribed by this Act, the regulations and the by-laws of the credit union.

(2) When a member of the supervisory committee fails to attend three consecutive meetings of the committee without, in the opinion of the supervisory committee, having a reasonable cause therefor, or fails to perform any of the duties allotted to him as a member of the committee, his position on the committee may be declared vacant by the remaining members of the committee who may appoint a qualified person to fill the vacancy until the next annual meeting of the credit union.

(3) The supervisory committee may appoint such persons as it considers necessary to assist it in performing its duties, but the remuneration to be paid to such persons is subject to the approval of the board of directors. 1976, c. 62, s. 55.

56.—(1) When the supervisory committee is of the opinion that the funds, securities or other property of the credit union have been misappropriated or misdirected, or in the event that the by-laws of the credit union, this Act or the regulations have been contravened by the board of directors, the credit committee or a member thereof or an officer or employee engaged by the board of directors, the supervisory committee shall forthwith advise the Director and the Ontario Share and Deposit Insurance Corporation in writing.

(2) The supervisory committee shall appoint an auditor or auditors or a league to assist it in determining whether any of the funds, securities or other property of the credit union have been misappropriated or misdirected and the remuneration of any auditor or league so appointed shall be paid by the credit union and determined by the supervisory committee.

(3) In the event of a misappropriation or misdirection or a suspected misappropriation or misdirection as referred to in subsection (1), the supervisory committee may suspend any member of the board of directors or credit committee or any officer or employee without the holding of a general meeting and may appoint another person to perform the duties of the person so suspended, until a new member is duly elected or a new officer or employee appointed.

(4) The supervisory committee shall forthwith give notice of a general meeting of the members to be held within fourteen days after the suspension under subsection (3).
(5) The supervisory committee shall report to the general meeting all the circumstances of any misappropriation or misdirection of funds, securities or other property and the reasons for any suspension, and the members of the credit union may, by resolution, dismiss from office any person so suspended, and, when the members of the credit union do not so vote to dismiss from office any person so suspended, that person shall be reinstated forthwith. 1976, c. 62, s. 56.

57.—(1) The supervisory committee shall not meet less frequently than every three months, and, where no auditor has been appointed, shall meet at least every month, and shall at each such meeting examine the affairs of the credit union.

(2) The supervisory committee shall keep minutes of its meetings and shall,

(a) within seven days of each meeting report the results thereof in writing to the board of directors; and

(b) submit a written report to the annual meeting of the members of the credit union. 1976, c. 62, s. 57.

58.—(1) A credit union may, by by-law, provide for the appointment of an auditor or auditors in addition to or substitution for the supervisory committee and may delegate to such auditor or auditors such part of the duties of the supervisory committee as the by-law provides.

(2) The board of directors of the credit union may fix the remuneration of the auditor or auditors.

(3) Where a credit union has passed a by-law under subsection (1) appointing an auditor or auditors to perform the duties of the supervisory committee, the by-law may further delegate the remaining powers and duties of the supervisory committee to the board of directors and so long as such by-law remains in force no supervisory committee shall be elected as required by section 54. 1976, c. 62, s. 58.

59.—(1) The members may, by resolution passed by two-thirds of the votes cast at a general meeting duly called for the purpose, remove a member of the supervisory committee before the expiration of his term of office, and shall by vote cast at that meeting elect another member in his stead for the remainder of his term.

(2) The notice calling the meeting of members referred to in subsection (1) shall state that the purpose of the meeting
is to remove the member of the supervisory committee who is named therein.

(3) The member of the supervisory committee has the right to make such representations to the members regarding the resolution for his removal as he thinks fit, and may be represented by legal counsel or an agent. 1976, c. 62, s. 59.

OFFICERS

60.—(1) A credit union shall have a president and secretary and such other officers as are provided for by by-law.

(2) The board of directors shall elect the president from among themselves.

(3) All payments to officers of a credit union for services rendered shall be approved by its board of directors.

(4) No officer or employee shall be paid or compensated on any basis that would relate such payment or compensation to the profits of the credit union or to an increase in the assets of the credit union. 1976, c. 62, s. 60.

61.—(1) Every officer or employee engaged by the board of directors of a credit union who receives or has charge of money shall, before assuming the duties of his office, furnish a bond for the due accounting of moneys received by him and the faithful performance of his duties with such sureties and in such form and amount as the board of directors may determine.

(2) The Lieutenant Governor in Council may make regulations prescribing the minimum amount of any bond to be provided under subsection (1). 1976, c. 62, s. 61.

AUDITORS AND FINANCIAL STATEMENTS

62.—(1) The members of a credit union having combined paid-in capital and deposits of more than $500,000 and a credit union permitted to operate with negotiable orders shall,

(a) at their first general meeting appoint one or more auditors to hold office until the close of the first annual meeting and, if the members fail to do so, the board of directors shall forthwith make such appointment or appointments; and
(b) at each annual meeting appoint one or more auditors to hold office until the close of the next annual meeting and, if an appointment is not so made, the auditor in office continues in office until a successor is appointed.

(2) The members of any other credit union may appoint an auditor.

(3) The board of directors may fill any casual vacancy in the office of auditor, but, while such vacancy continues, the surviving or continuing auditor, if any, may act.

(4) The members may, by resolution passed by a majority of the votes cast at a general meeting duly called for the purpose, remove an auditor before the expiration of his term of office, and shall by a majority of the votes cast at that meeting appoint another auditor in his stead for the remainder of his term.

(5) Before calling a general meeting for the purpose specified in subsection (4), the credit union shall, fifteen days or more before the mailing of the notice of the meeting, give to the auditor,

(a) written notice of the intention to call the meeting, specifying therein the date on which the notice of the meeting is proposed to be mailed; and

(b) a copy of all material proposed to be sent to members in connection with the meeting.

(6) The auditor has the right to make to the credit union three days or more before the mailing of the notice of the meeting, representations in writing concerning his proposed removal as auditor, and the credit union, at its expense, shall forward with the notice of the meeting a copy of such representations to each member entitled to receive notice of the meeting.

(7) If for any reason no auditor is appointed under subsection (1), the Director may require that the board of directors appoint one or more auditors to hold office until the close of the next annual meeting and the board shall establish the remuneration to be paid by the credit union for his or their services.

(8) The credit union shall give notice in writing to an auditor of his appointment forthwith after the appointment is made.
(9) A person, other than an incumbent auditor, may not be appointed auditor at an annual meeting unless notice of an intention to nominate that person to the office of auditor has been given by a member to the credit union not less than fifteen days before the mailing of the notice of the meeting at which the auditor is to be appointed, and, where such notice is given, the credit union shall send a copy of the notice to the incumbent auditor and to the person whom it is intended to nominate and shall give notice thereof to the members of the credit union.

(10) The incumbent auditor has the right to make to the credit union, three days or more before the mailing of the notice of the meeting representations in writing concerning the proposal not to reappoint him as auditor, and the credit union, at its expense, shall forward with the notice of the meeting, a copy of such representations to each member entitled to receive notice of the meeting. 1976, c. 62, s. 62.

63.—(1) No person shall be appointed or act as the auditor of a credit union who is a director, officer, or employee of the credit union, or a member of the credit committee or supervisory committee thereof, or who is a partner, employer or employee of any such director, member, officer or employee, or who is a related person to any director or officer of the credit union or to a member of the credit committee or supervisory committee thereof.

(2) No person shall be appointed a receiver or a receiver and manager or liquidator of any credit union of which he or any partner or employer of or a related person to him is the auditor or has been the auditor within the two years preceding his appointment as receiver and manager or liquidator.

(3) No person who is appointed a trustee of the estate of a credit union under the Bankruptcy Act (Canada) or any partner or employer of or a related person to him shall be appointed or act as auditor of the credit union. 1976, c. 62, s. 63.

64.—(1) The auditor shall make such examination as will enable him to report to the members of the credit union as required by subsection (2).

(2) The auditor shall make a report to the members of the credit union on the financial statement to be placed before the members at its annual meeting in accordance with section 71, and shall state in his report whether in his opinion the financial statement referred to therein presents fairly the financial position of the credit union and the results of its operations for the period under review in
accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period, if any.

(3) The auditor shall also report that his examination was made in accordance with generally accepted auditing standards and that accordingly it included such tests and other procedures as he considered necessary in the circumstances.

(4) When the report under subsection (2) does not contain the unqualified opinion required thereby, the auditor shall state in his report the reasons therefor.

(5) Where facts come to the attention of the officers or board of directors which, if known prior to the date of the last annual meeting of members, would have required a material adjustment to the financial statement presented to such meeting, the officers or board shall communicate such facts to the auditor who reported to the members under this section and the board shall forthwith amend the financial statement and send it to the auditor.

(6) On the receipt of facts furnished under subsection (5) or from any other source, the auditor shall, if in his opinion it is necessary, amend his report in respect of the financial statement in accordance with subsection (4) and the board of directors or, if they fail to do so within a reasonable time, the auditor shall mail the amended report to the members.

(7) The auditor of a credit union has right of access at all times to all records, documents, accounts and vouchers of the credit union and is entitled to require from the board of directors, officers, employees and members of the credit committee or the supervisory committee of the credit union such information and explanation as in his opinion are necessary to enable him to report as required by subsection (2).

(8) The auditor of a credit union is entitled to attend any meeting of members of the credit union and to receive all notices and other communications relating to any such meeting that a member is entitled to receive, and to be heard at any such meeting that he attends on any part of the business of the meeting that concerns him as auditor.

(9) Any member of a credit union who is entitled to vote at meetings of members, may, by notice in writing to the credit union given five days or more before any meeting of
members, require the attendance of the auditor at such meeting at the credit union’s expense, and in such event the auditor shall attend the meeting.

(10) At any meeting of members, the auditor, if present, shall answer inquiries directed to him concerning the basis upon which he formed the opinion stated in the report made under subsection (2). 1976, c. 62, s. 64.

OFFICERS—GENERAL

65.—(1) Every director, officer, member of a supervisory committee and member of a credit committee of a credit union, shall exercise the powers and discharge the duties of his office honestly, in good faith and in the best interests of the credit union, and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. 1976, c. 62, s. 65.

(2) Subsection (1) does not come into force until a day to be named by proclamation of the Lieutenant Governor. 1976, c. 62, s. 148.

66. An act done by a director, member of the supervisory committee, member of the credit committee or officer of a credit union is not invalid by reason only of any defect that is thereafter discovered in his appointment, election or qualification. 1976, c. 62, s. 66.

67. The liability imposed by this Act upon a director, member of the supervisory committee, member of the supervisory committee, officer of a credit union or any person authorized to approve loans under section 51 is in addition to any other liability that is by law imposed upon him. 1976, c. 62, s. 67.

68.—(1) Subject to subsection (2), the by-laws of the credit union may provide that every director, credit committee member, supervisory committee member or officer may from time to time be indemnified and saved harmless by the credit union from and against,

(a) any liability and all costs, charges and expenses that he sustains or incurs in respect of any action, suit or proceeding that is proposed or commenced against him or in respect of anything done or permitted by him in respect of the execution of the duties of his office; and

(b) all other costs, charges and expenses that he sustains or incurs in respect of the affairs of the credit union.

(2) The credit union shall not indemnify any person under subsection (1) in respect of any liability, costs, charges
or expenses that he sustains or incurs in or about any action, suit or other proceeding as a result of which he is adjudged to be in breach of any duty or responsibility imposed upon him by this Act or any other statute unless, in an action brought against him in his capacity of director, credit committee member, supervisory committee member or officer, he has achieved complete or substantial success as a defendant.

(3) A credit union may purchase and maintain insurance for the benefit of a director, credit committee member, supervisory committee member or officer thereof, except insurance against a liability, cost, charge or expense incurred as a result of a contravention of section 65. 1976, c. 62, s. 68.

69.—(1) Every director, officer, credit committee member or supervisory committee member of a credit union who has, directly or indirectly, any interest in any contract or transaction to which the credit union is or is to be a party, including services rendered in a professional or business capacity, other than a contract limited solely to his remuneration for holding office, or who is, directly or indirectly, the beneficiary of any consideration or benefit as a result of any such contract or transaction to which the credit union is or is to be a party, shall declare his interest in such contract or transaction and the amount of any consideration or benefit of which he is the direct or indirect beneficiary at a meeting of the board of directors, credit committee or supervisory committee, as the case may be, and shall at that time disclose the nature and extent of such interest, to the extent to which such information is within his knowledge or control, and shall not vote and shall not in respect of such contract or transactions be counted in the quorum.

(2) The disclosure required by subsection (1) shall be made at the earliest possible meeting after the director, credit committee member or supervisory committee member becomes aware of the potential conflict of interest.

(3) If a director, officer, credit committee member or supervisory committee member has made a declaration and disclosure of his interest in a contract or a transaction in compliance with this section and has not voted in respect of the contract or transaction at the meeting at which it was considered and was acting honestly and in good faith at the time the contract or transaction was entered into, he is not by reason only of his holding office accountable to the credit union or to its members for any profit or gain realized from the contract or transaction, and the contract or transaction, if it was in the best interest of the credit union, is not voidable by reason only of his interest therein.
(4) Notwithstanding anything in this section, a director, officer, credit committee member or supervisory committee member, if he was acting honestly and in good faith, is not accountable to the credit union or to its members for any profit or gain realized from such contract or transaction by reason only of his holding office, and the contract or transaction, if it was in the best interest of the credit union at the time it was entered into is not by reason only of his interest therein voidable,

(a) if the contract or transaction is confirmed or approved by at least two-thirds of the votes cast at a general meeting of the members duly called for that purpose; and

(b) if the nature and extent of the interest in the contract or transaction are declared and disclosed in reasonable detail in the notice calling the meeting.

1976, c. 62, s. 69.

MEETINGS

70. — (1) Notice of the time and place for holding a meeting of the members of a credit union shall be given in accordance with the by-laws of the credit union, but in no event shall notice be given later than seven days before the date of the meeting or earlier than fifty days before the date of the meeting.

(2) Notice of any meeting at which directors are to be elected shall contain the information disclosed by a director under subsection 69 (1).

(3) Notice of a meeting shall be given to each member of a credit union who on the record date for notice appears on the records of the credit union as a member by,

(a) sending the notice by prepaid mail to his latest address as shown on the records of the credit union;

(b) delivering the notice to him at his place of employment; or

(c) publishing the notice in a newspaper which circulates in the community in which the head office of the credit union is located.

(4) The president, or in his absence, a vice-president who is a director, shall preside as chairman at a meeting of members, but if there is no president or such a vice-president, or if at a meeting neither of them is present
within fifteen minutes after the time appointed for the holding of the meeting, the members present shall choose a person from among their number to be the chairman. 1976, c. 62, s. 70.

71.—(1) The first and every successive meeting of a credit union shall be held at such time and place in Ontario as its by-laws provide, and, in default of provisions in that behalf, the annual meeting shall be held at its head office within 120 days of the year end of the credit union.

(2) At such meeting, the board of directors shall place before the members,

(a) financial statements showing matters prescribed by the regulations relating separately to,

(i) the period that commenced on the date the credit union came into existence and ended not more than four months before the annual meeting or, if the credit union has completed a financial year, the period that began immediately after the end of the last completed financial year and ended not more than four months before the annual meeting, and

(ii) the period covered by the financial year next preceding such latest completed financial year, if any;

(b) the report of the supervisory committee, if any;

(c) the report of the auditor, if any; and

(d) such further information respecting the financial position of the credit union and the results of its operations as its by-laws require.

(3) The report of the supervisory committee, if any, to the members shall be read at the annual meeting and shall be open to inspection at the meeting by any member.

(4) The report of the auditor, if any, to the members shall be read at the annual meeting and shall be open to inspection at the meeting by any member.

(5) The board of directors of the credit union shall approve the financial statements referred to in clause (2) (a) and the approval shall be evidenced by the signature at the foot of the balance sheet of two duly authorized directors.
(6) The notice of the annual meeting of members shall be accompanied by a copy of the financial statements referred to in clause (2) (a) and a copy of the auditor's report, if any, or shall specify that copies of the above will be available at the meeting and copies of the above shall also be filed with the Director at least seven days before the date of the meeting. 1976, c. 62, s. 71.

72. The board of directors may at any time call a general meeting of the members for the transaction of any business, the general nature of which is specified in the notice calling the meeting. 1976, c. 62, s. 72.

73.—(1) Five per cent of the members of a credit union may requisition the board of directors to call a general meeting of the members for any purpose that is connected with the affairs of the credit union and that is not inconsistent with this Act.

(2) The requisition shall state the general nature of the business to be presented at the meeting and shall be signed by the requisitionists and deposited at the head office of the credit union and may consist of several documents in like form, each signed by one or more requisitionists.

(3) Upon deposit of the requisition, the board of directors shall forthwith call a general meeting of the members for the transaction of the business stated in the requisition.

(4) If the board of directors do not within twenty-one days from the date of the deposit of the requisition call the meeting, any of the requisitionists may call the meeting, which shall be held within sixty days from the date of the deposit of the requisition.

(5) A meeting called under this section shall be called as nearly as possible in the same manner as meetings of members are called under the by-laws, but, if the by-laws provide for more than twenty-one days notice of meetings, twenty-one days notice is sufficient for the calling of the meeting.

(6) The credit union shall,

(a) reimburse all or any of the requisitionists for any reasonable expenses incurred by them by reason of the action taken by them under subsection (4); and

(b) retain out of any moneys due or to become due, by way of fees or other remuneration for their services, to such of the board of directors as were in default, an amount equal to the amount the requisitionists
were reimbursed, unless, at the meeting, the members by a majority of the votes cast reject the reimbursement of the requisitionists. 1976, c. 62, s. 73.

74. Every credit union shall without charge supply to every member upon application therefor or as provided by its by-laws, a copy of its last comparative financial statement. 1976, c. 62, s. 74.

75.—(1) Except as provided in this Act, no member or other person has any right to inspect the books of a credit union.

(2) Any member or other person having an interest in the funds of a credit union may inspect his own account and the books containing the names of the members at all reasonable hours at its head office or at whatever other place they are kept, subject to such conditions as to time and manner of inspection as the by-laws may prescribe.

(3) A credit union may by by-law authorize the inspection of any of its books therein mentioned, in addition to the books containing the names of members, under such conditions as are thereby prescribed, and no person, unless he is an officer of the credit union or is specifically authorized by a resolution thereof, has the right to inspect the loan or deposit account of any other member without such other member's written consent. 1976, c. 62, s. 75.

76.—(1) A credit union may establish a branch or branches subject to such terms and conditions as are prescribed by the regulations and the branch may, by by-law, provide for the holding of meetings of the members who belong thereto.

(2) Where a by-law under subsection (1) is in force, the members of a branch shall elect delegates, by special resolution, to represent the members at the annual or general meeting of the credit union, and the delegates so elected shall exercise the powers of the members of the branch at all meetings of the credit union and the members represented by such delegates are not entitled to vote at the meeting of the credit union.

(3) The number of delegates and votes allowed each branch at the meeting of the credit union shall be specified by the by-laws of the credit union, as well as the time, place and manner of calling a branch meeting, the number of members of the branch that constitute a quorum and the procedure to be followed in the conduct of the branch meeting.
Majority

(4) The required majority vote for deciding each issue to be voted on at the branch meeting shall be the same as that required for deciding such issues at meetings of the entire membership of the credit union as specified in this Act, the regulations and the by-laws of the credit union. 1976, c. 62, s. 76.

DIVIDENDS

77. Subject to the by-laws, the board of directors may declare, and the credit union may pay, a dividend on the amounts paid in on shares held by members at any time during the fiscal year and may, at their discretion, declare rebates of interest paid by members in respect of loans during that fiscal year. 1976, c. 62, s. 77.

78.—(1) The board of directors shall not declare and the credit union shall not pay any dividend when the credit union is insolvent, or any dividend the payment of which renders the credit union insolvent or that diminishes its capital.

(2) The directors who vote in favour of or consent to the resolution authorizing the declaration of a dividend are jointly and severally liable to the credit union to the extent of the amount of the dividend so declared and paid or such part thereof as renders the credit union insolvent or diminishes its capital.

Exoneration

(3) If any director present at the meeting at which such dividend is declared, forthwith, or if any director then absent, within twenty-four hours after he becomes aware of the dividend and is able to do so, delivers or sends to the credit union by registered mail his protest against the dividend, and within eight days thereafter, sends a copy thereof to the Director, the director thereby and not otherwise exonerates himself from liability. 1976, c. 62, s. 78.

INVESTMENTS

79.—(1) A credit union may lend or invest its funds in,

(a) the bonds, debentures, stocks or other evidences of indebtedness issued or guaranteed by the government of Canada, or of a province or territory of Canada;

(b) the bonds, debentures or other evidences of indebtedness issued or guaranteed by a municipal corporation in Canada, or by a school or religious corporation in Canada, or secured by rates or taxes levied under the authority of the government of a province of Canada on property situate in such
province and collectable by the municipalities in which such property is situate;

(c) the bonds, debentures or other evidences of indebtedness issued by an authority or other body established and empowered pursuant to the law of Canada or any province thereof to administer, regulate the administration of, provide or operate port, harbour, airport, bridge, highway tunnel, transportation, communication, sanitation, water, electricity or gas services or facilities and, for any of these purposes, to levy, impose or fix taxes, rates, fees or other charges;

(d) the bonds, debentures or other evidences of indebtedness issued by a corporation that are fully secured by a mortgage, charge or hypothec to a trustee, or to the credit union upon any, or upon any combination, of the following assets,

(i) improved real estate or leasehold,

(ii) the plant or equipment of a corporation that is used in the transaction of its business, or

(iii) bonds, debentures or other evidences of indebtedness or shares, of a class authorized by this subsection, as investments, or cash balances, if such bonds, debentures or other evidences of indebtedness, shares or cash balances are held by a trustee,

and the inclusion, as additional security under the mortgage, charge or hypothec, of any other assets not of a class authorized by this Act as investments shall not render such bonds, debentures or other evidences of indebtedness ineligible as an investment;

(e) obligations or certificates issued by a trustee to finance the purchase of transportation equipment for a corporation incorporated in Canada to be used on railways or public highways, if the obligations or certificates are fully secured by,

(i) an assignment of the transportation equipment to, or the ownership thereof by, the trustee, and

(ii) a lease or conditional sale thereof by the trustee to the corporation;
(f) the bonds, debentures or other evidences of indebtedness issued or guaranteed by,

(i) a corporation if, at the date of investment, the preferred shares or the common shares of the corporation are authorized as investments by clause (h) or (i),

(ii) a corporation, if its earnings in a period of five years ended less than one year before the date of investment have been equal in sum total to at least ten times and in each of any four of the five years have been equal to at least one and one-half times the annual interest requirements at the date of investment on all indebtedness of or guaranteed by it, other than indebtedness classified as a current liability in its balance sheet, and, if the corporation at the date of investment owns directly or indirectly more than 50 per cent of the common shares of another corporation, the earnings of the corporations during the said period of five years may be consolidated with due allowance for minority interests, if any, and in that event the interest requirements of the corporation shall be consolidated and such consolidated earnings and consolidated interest requirements shall be taken as the earnings and interest requirements of the corporation, and, for the purpose of this subclause, "earnings" means earnings available to meet interest charges on indebtedness other than indebtedness classified as a current liability;

(g) guaranteed investment certificates issued by a trust company incorporated in Canada if, at the date of investment, the preferred shares or the common shares of the trust company are authorized as investments by clause (h) or (i);

(h) the preferred shares of a corporation if,

(i) the corporation has paid a dividend in each of the five years immediately preceding the date of investment at least equal to the specified annual rate upon all of its preferred shares, or

(ii) the common shares of the corporation are, at the date of investment, authorized as investments by clause (i);
(i) the fully paid common shares of a corporation that during a period of five years that ended less than one year before the date of investment has either,

(i) paid a dividend in each such year upon its common shares, or

(ii) had earnings in each such year available for the payment of a dividend upon its common shares,

of at least 4 per cent of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid or in which the corporation had earnings available for the payment of dividends, as the case may be;

(j) ground rents, mortgages, charges or hypothecs on real estate or leaseholds in Ontario, but the amount paid for the mortgage, charge or hypothec together with the amount of indebtedness under any mortgage, charge or hypothec on the real estate or leasehold ranking equally with or prior to the mortgage, charge or hypothec in which the investment is made shall not exceed three-quarters of the value of the real estate or leasehold covered thereby;

(k) mortgages or charges on improved real estate or leaseholds in Ontario notwithstanding that the mortgage or charge exceeds the amount that the credit union is otherwise authorized to invest if the excess is insured or guaranteed by the government of Canada or Ontario or by an agency of the government of Canada or Ontario or by a policy of mortgage insurance issued by an insurance company licensed under the Insurance Act for such class of insurance;

(l) real estate or leaseholds for the production of income in Canada either alone or jointly with any other credit union or with any loan corporation or trust company incorporated in Canada, if,

(i) a lease of the real estate or leasehold is made to, or guaranteed by,

(A) the Government of Canada and its territories or of a province, or municipality thereof, or

(B) a corporation, the preferred shares or common shares of which are, at the
date of investment, authorized as investments by clause \((h)\) or \((i)\),

(ii) the lease provides for a net revenue sufficient to yield a reasonable interest return during the period of the lease and to repay at least 85 per cent of the amount invested in the real estate or leasehold within the period of the lease but not exceeding thirty years from the date of investment, and

(iii) the total investment of a credit union in any one parcel of real estate or in any one leasehold does not exceed 2 per cent of the book value of the total assets of the credit union,

and the credit union may hold, maintain, improve, lease, sell or otherwise deal with or dispose of the real estate or leasehold;

\(m\) real estate or leaseholds for the production of income in Canada either alone or jointly with any other credit union or with any loan corporation or trust company incorporated in Canada, if,

(i) the real estate or leasehold has produced, in each of the three years immediately preceding the date of investment, net revenue in an amount that, if continued in future years, would be sufficient to yield a reasonable interest return on the amount invested in the real estate or leasehold and to repay at least 85 per cent of that amount within the remaining economic lifetime of the improvements to the real estate or leasehold but not exceeding forty years from the date of investment, and

(ii) the total investment of a credit union in any one parcel of real estate or in any one leasehold does not exceed 2 per cent of the book value of the total assets of the credit union,

and the credit union may hold, maintain, improve, lease, sell or otherwise deal with or dispose of the real estate or dispose of the real estate or leasehold;

\(n\) in the fully paid shares or units of any mutual fund or corporation incorporated to offer public participation in an investment portfolio subject to such terms and conditions as may be prescribed by the Lieutenant Governor in Council.
(2) Notwithstanding clauses (1) (k), (l) and (m), a credit union may invest to an aggregate amount not exceeding 5 per cent of its unimpaired capital, deposits and reserves, in any other classes or types of investments, including mortgages or charges, the purchase of land, the improvement thereof, the construction of buildings thereon, and the management and disposal of such lands and buildings. 1976, c. 62, s. 79.

80. The following restrictions, limitations and prohibitions apply to credit unions in the exercise of their investment policies under this Act,

(a) a credit union shall not invest any of its funds in bonds, debentures or other evidences of indebtedness on which the payment of principal or interest is in default;

(b) a credit union shall not act as an underwriter in connection with the purchase or sale of any securities or other property of any kind;

(c) except as to securities issued or guaranteed by the Government of Canada or the government of a province of Canada, a credit union shall not invest in any one security or make a total investment in any one corporation that is not a credit union or a league, either by the purchase of shares or other securities of such corporation or by lending to it on the security of its debentures or other assets or any part thereof, of more than 10 per cent of the book value of the total assets of the credit union;

(d) a credit union shall not make any investment the effect of which will be that it will hold more than 30 per cent of the common shares or 30 per cent of the total issued shares of any one corporation;

(e) the total book value of the investments of a credit union in common shares shall not exceed 5 per cent of the book value of the total assets of the credit union;

(f) the total book value of the investments of a credit union in real estate or leaseholds for the production of income shall not exceed 10 per cent of the book value of the total assets of the credit union;

(g) a credit union shall not make any investment in or loan to another credit union in an amount in excess of 1 per cent of its unimpaired capital, deposits and surplus without the written approval of the Director; and
(h) a credit union shall not invest in the shares of a corporation that is a member of the credit union. 1976, c. 62, s. 80.

Loans and deposits

81.—(1) Subject to paragraphs 3 and 4 of subsection 11 (2), no credit union shall advance money by discount, loan or otherwise to, or accept deposits from, persons other than its members.

(2) Interest, together with all the costs of borrowing including bonuses, premiums and penalties shall not exceed such amount as is prescribed by the regulations.

Loans to officers

(3) No credit union shall lend to an officer or member of a committee or of the board of directors of the credit union an amount in excess of the aggregate of fully paid up shares and deposits of such officer or member unless the loan is approved by the credit committee, the board of directors, and the supervisory committee.

Loans to members

(4) No credit union shall lend to a member an amount that is in excess of 10 per cent of the aggregate of its capital, members' deposits and surplus, or such lesser percentage as may be prescribed in the by-laws of the credit union.

(5) No credit union shall lend to a member who is an unincorporated association unless such loan is approved by the credit committee, the supervisory committee and the board of directors. 1976, c. 62, s. 81.

Loans to corporate and partnership members

82.—(1) A credit union may make loans to corporations and partnerships who are members of the credit union in an aggregate not exceeding the greater of,

(a) 7 per cent of the credit union's unimpaired capital, deposits and surplus; or

(b) such percentage as the Director may approve, not in excess of 15 per cent of the unimpaired capital deposits and surplus of the credit union,

and such loans must be fully secured in the manner provided by the regulations.

(2) A credit union may make secured loans to unincorporated associations who are members in aggregate not exceeding 1 per cent of the credit union's unimpaired share capital.

(3) A credit union may make loans to members who are individuals on such terms as are provided for in the by-laws. 1976, c. 62, s. 82.
83. A credit union may make loans to its members by way of mortgage, charge or hypothecation on a term not exceeding five years, subject to renegotiation, and,

(a) the maximum amount that may be loaned by way of mortgage, subject to any limitation in the by-laws of the credit union, shall not exceed,

(i) three-quarters of the value of the real estate to which the mortgage or charge relates unless the excess over three-quarters of the value of the real estate to which the mortgage or charge relates is insured or guaranteed by the government of Canada or Ontario, or by an agency thereof, or by a policy of mortgage insurance issued by an insurance company licensed under the Insurance Act for such class of insurance,

(ii) in the case of a second mortgage, the balance owing on the first mortgage shall be taken into account in meeting the requirements referred to in subclause (i); and

(b) the mortgage shall contain a definitive provision for repayment which will result in the principal and interest being fully repaid within twenty-five years or such longer period of time as the regulations may prescribe,

but if the credit union becomes an approved lender for the purpose of making loans under the National Housing Act (Canada), the provisions of that Act apply to mortgage loans undertaken by the credit union under that Act. 1976, c. 62, s. 83.

84. A credit union may make guaranteed loans under and in accordance with the provisions of the Canada Student Loans Act (Canada), the Farm Improvement Loans Act (Canada) or the Fisheries Improvement Loans Act (Canada) and such other Act as may be designated by the regulations. 1976, c. 62, s. 84.

85.—(1) The credit committee may approve an extension of credit for a member by way of contract loans and advances may be made to such member from time to time within the limits of the approved extension of credit.

(2) The credit committee shall review all extensions of credit and an extension of credit expires if the member becomes more than ninety days in default of any repayment.
(3) An extension of credit by way of contract loan is a loan within the meaning of this Act. 1976, c. 62, s. 85.

86. No director, member of a credit committee, member of a supervisory committee or credit union officer or employee shall cosign, endorse, or act as a guarantor for any borrower from the credit union unless such loan was made to a related person and approved in the manner provided in section 81. 1976, c. 62, s. 86.

87. The credit committee of a credit union may in its discretion,

(a) upon receipt of a written request from a borrower or his cosigner, postpone the due date for the repayment of any one or more installments of the principal of the loan or any part of an installment or postpone the due date for the payment of any one or more payments of interest on the loan or any part of a payment, or both, and fix due dates accordingly;

(b) upon being satisfied that a loan is reasonably secure, authorize the release or substitution of any security or securities, in whole or in part, taken to secure a loan from the credit union to a member; and

(c) renegotiate a loan from the credit union to a member upon new terms in the event the circumstances of the borrower have changed. 1976, c. 62, s. 87.

88.—(1) The Director may order a credit union to dispose of and realize any of its investments not made or held in accordance with this Act, the regulations or the by-laws and the credit union shall within sixty days after receiving the order absolutely dispose of and realize such investments, and, if the amount realized therefrom falls below the amount paid by the credit union for the investments, the board of directors of the credit union are jointly and severally liable for the payment to the credit union of any deficiency.

(2) If any director present at the meeting at which an investment to which subsection (1) applies is authorized, forthwith, or if any director then absent, within fourteen days after he becomes aware of the investment and is able to do so, delivers or sends to the credit union by registered mail his protest against the investment, and within thirty days thereafter, sends a copy thereof by registered mail to the Director, the director thereby and not otherwise exonerates himself from liability. 1976, c. 62, s. 88.
89.—(1) The Director may order a credit union to call any loan it has made not authorized by this Act, the regulations or the by-laws and the credit union shall within sixty days after receiving the direction call the loan, if possible, and, if within that time the full amount of the loan is not repaid, the members of the credit committee, the person or persons appointed under section 50 and the person or persons authorized under section 51 are jointly and severally liable for the payment to the credit union of any deficiency upon the maturity of the loan.

(2) If any member of the credit committee present at the meeting at which such loan is authorized, forthwith, or if any credit committee member then absent, within fourteen days after he becomes aware of the loan and is able to do so, delivers or sends to the credit union by registered mail his protest against the loan, and, within thirty days thereafter, sends a copy thereof by registered mail to the Director, the credit committee member thereby and not otherwise exonerates himself from liability. 1976, c. 62, s. 89.

90. A credit union may accept money on deposit at a specified rate of interest for a term not longer than five years. 1976, c. 62, s. 90.

91.—(1) Where the combined share capital and the deposits of a credit union exceed $100,000 and it has appointed an auditor in accordance with this Act and it has an accounting system satisfactory to the Director and its board of directors has so authorized, it may, so long only as the Director approves in writing, permit its members to use negotiable orders for the withdrawal of moneys on deposit.

(2) The Director may at any time revoke any approval given under subsection (1).

(3) No officer or employee of a credit union shall permit any withdrawal of moneys from the deposit or share account of a member unless the amount in such deposit or share account is equal to or in excess of the amount sought to be withdrawn, and any officer or employee who contravenes this subsection is guilty of an offence under this Act.

(4) Nothing in this section curtails, abridges, defeats or otherwise affects any remedy for the recovery from a member.
of any amount withdrawn in excess of the amount standing to his credit in his deposit or share account. 1976, c. 62, s. 91.

Reserve for deposits

92.—(1) Each credit union shall at all times maintain to an aggregate of at least 10 per cent of the amount of deposits, shares and borrowings of the credit union,

(a) cash, including deposits with a chartered bank in Canada, a loan or trust company registered under the Loan and Trust Corporations Act, the Province of Ontario Savings Office or a league, providing that such deposits are callable within ninety days;

(b) unencumbered bonds, debentures or other obligations of or guaranteed by the Government of Canada or by the government of any province or shares of a league, valued at market value;

(c) in the case of a credit union that is in regular receipt of deductions made from the payroll of any of its members, an amount equal to any such deductions which have been made and are in the course of being remitted; and

(d) the asset referred to in subsection 111 (7) valued in accordance with that subsection.

(2) Where the Director has given approval to a credit union under subsection 91 (1), the credit union shall maintain in the manner specified in subsection (1) an additional reserve equal to 10 per cent of the aggregate amount on deposit with the credit union that is withdrawable by negotiable order.

(3) Of the amount required to be maintained under subsection (1), at least 10 per cent shall be maintained in cash as provided in clause (1) (a).

(4) No credit union shall make any loan or investment other than an investment authorized by clause (1) (b) until it has satisfied the requirements of subsection (1). 1976, c. 62, s. 92.

Regulations re reserves

93. The Lieutenant Governor in Council may make regulations prescribing further percentages of the reserves or classes of deposits or investments required to be maintained under section 92. 1976, c. 62, s. 93.
94.—(1) Every credit union in computing its annual net income or loss shall make full provision for,

(a) all doubtful loans, other doubtful receivables, and losses on investments; and

(b) all interest accruing on deposits.

(2) A credit union may by special resolution establish a reserve and may transfer to the reserve from undivided earnings or transfer from the reserve to undivided earnings such amounts as the board of directors may by resolution direct. 1976, c. 62, s. 94.

ONTARIO SHARE AND DEPOSIT INSURANCE CORPORATION

95. In sections 96 to 118, "Corporation" means the Ontario Share and Deposit Insurance Corporation. 1976, c. 62, s. 95.

96.—(1) The corporation known in English as the Ontario Share and Deposit Insurance Corporation and in French as La Société Ontarienne D'Assurance des Actions et Depôts is continued as a corporation without share capital.

(2) The Corporations Act does not apply to the Corporation. 1976, c. 62, s. 96.

97.—(1) The board of directors of the Corporation shall be appointed by the Lieutenant Governor in Council and shall consist of,

(a) three persons nominated by a league that has more than fifty members and that is approved by the Lieutenant Governor in Council for the purpose of this section;

(b) one person nominated by a league that has fewer than fifty members and that is approved by the Lieutenant Governor in Council for the purpose of this section; and
(c) three persons to represent the public and the credit unions who are not members of a league.

(2) The board of directors shall elect or appoint from among themselves a chairman. 1976, c. 62, s. 97.

98.—(1) The affairs of the Corporation shall be administered by the board of directors.

(2) The chairman shall preside at all meetings of the Corporation but, where at any meeting the chairman is absent, one of the directors present thereat who is chosen so to act by the directors present shall preside and has and shall exercise the powers of the chairman.

(3) The board of directors may appoint a secretary and a treasurer.

(4) A majority of the members of the board of directors constitutes a quorum.

(5) A member of the board of directors shall be paid by the Corporation out of its income all reasonable travelling and living expenses incurred by him while absent from his ordinary place of residence in the course of his duties as a director and, in addition, may be paid out of income as remuneration for his services and duties such daily or other amount as may be fixed by the board and reported to its members in its annual report. 1976, c. 62, s. 98.

99.—(1) The Corporation shall within four months after the termination of each financial year transmit to its members, the Minister and the Superintendent, an annual report relating to its activities in that year including financial statements of the Corporation in the form required by section 71 and the auditor’s report thereon, which shall be in accordance with sections 63 and 64.

(2) The Superintendent shall be deemed to have an interest in the Corporation as representative of all persons who may be claimants against credit unions, and the board of directors, officers and employees of the Corporation shall from time to time furnish the Superintendent with such information and financial statements with respect to the Corporation as the Superintendent may require, and the Superintendent shall make an annual examination and report to the Minister and the Minister shall then lay the annual
report of the Corporation and report of the Superintendent before the Assembly if it is in session or, if not, at the next ensuing session. 1976, c. 62, s. 99.

100. The members of the board of directors shall hold office for a term of three years commencing on the date on which they were appointed and thereafter until their successors are appointed and any casual vacancy occurring shall be filled in accordance with section 97 for the balance of the term of the director whose office became vacant. 1976, c. 62, s. 100.

101. The objects of the Corporation are,

(a) to accumulate, manage, invest, disburse and pay out a separate fund for each league and a further fund for all independent members, such funds to be accounted for separately and each fund receiving the revenues or assets and bearing all direct charges and an appropriate portion of such other charges as may be applicable to it;

(b) to provide, in its discretion, financial assistance, having regard to the liabilities and assets of each fund, for the purpose of assisting any credit union in the appropriate category in its continued operation or in the orderly liquidation of its operations;

(c) to provide, for the benefit of persons having shares or deposits with credit unions in Ontario deposit insurance, against loss of part or all of such shares or deposits, by making payments to such persons to the extent and in the manner authorized by this Act. 1976, c. 62, s. 101.

102. The Corporation may do all things necessary or incidental to its objects and in particular, but without limiting the generality of the foregoing, the Corporation may, in furtherance of its objects,

(a) acquire assets from credit unions, make loans or advances to credit unions and take security therefor and guarantee loans to or deposits with credit unions;

(b) require the payment of levies by credit unions for the purpose of establishing and maintaining the assets of the corporation;

(c) act as a liquidator of the estate and effects of a credit union for the purpose of winding up its affairs and distributing its property;
(d) assume the costs of winding up of credit unions;

(e) acquire assets of credit unions from a liquidator or receiver thereof;

(f) make an advance or grant for the purpose of paying lawful claims against credit unions in respect of any claims of their members for withdrawal of deposits or share capital and become subrogated as an unsecured creditor for the amount of such advance;

(g) borrow money on the credit of the Corporation or on bills of exchange or promissory notes drawn, made, accepted or endorsed by or on behalf of the Corporation and may pledge as security all or any part of the assets of the funds;

(h) make or cause to be made such inspections or examinations of credit unions as may be authorized under this Act;

(i) declare and pay dividends to its members; and

(j) do all such other things, not contrary to this Act, as may be necessary for the exercising of any of the powers of the Corporation. 1976, c. 62, s. 102; 1980, c. 6, s. 1 (1).

103. The board of directors shall administer the affairs of the Corporation in all things and make, or cause to be made, for the Corporation any description of contract that the Corporation may by law enter into, and, subject to the approval of the Lieutenant Governor in Council, the Corporation may make by-laws for,

(a) the administration, management and control of the property and affairs of the Corporation;

(b) the functions, duties and remuneration of all officers, agents and employees of the Corporation;

(c) the appointment or disposition of any special committees from time to time created by the Corporation;

(d) the appointment of an auditor;

(e) determining the seal of the Corporation;

(f) the time and place for the holding of meetings of the board of directors and the procedure in all things at such meetings;
(g) prescribing standards of sound business and financial practices for credit unions;

(h) prescribing the manner in which a credit union may represent that it is a contributor to the Corporation;

(i) defining the expression “deposit” for the purpose of deposit insurance;

(j) authorizing and controlling the use by credit unions of marks, signs, advertisements or other devices indicating that deposits with credit unions are insured by the Corporation;

(k) the conduct in all other particulars of the affairs of the Corporation. 1976, c. 62, s. 103.

104. For the purposes of carrying out any investigation or inquiry authorized by this Act, the Corporation may appoint any person in writing to carry out the investigation or inquiry and the person so appointed shall be given free access to the books, records and documents of the credit union and has the powers of a commission under Part II of the Public Inquiries Act, which Part applies to the investigation or inquiry as if it were an inquiry under that Act. 1976, c. 62, s. 104.

105.—(1) No person, other than a credit union who is a member of the Corporation, shall by any written or oral representations of any kind advertise or hold out any corporation, society or association as being insured or approved for deposit insurance by the Corporation and a person who contravenes this subsection is guilty of an offence.

(2) No credit union shall advertise or hold out by any written or oral representation that it is insured by the Corporation otherwise than by such marks, signs, advertisements or other devices as are authorized by the by-laws of the Corporation and used in the manner and on the occasions prescribed by the by-laws and a credit union who contravenes this subsection is guilty of an offence. 1976, c. 62, s. 105.

106. The fiscal year end of the Corporation ends on the 31st day of December in each year. 1976, c. 62, s. 106.

107.—(1) The Corporation may, in its discretion, invest any funds not required in carrying out its objectives in the classes of securities in which a credit union may invest its
funds under section 79 and subject to the restrictions, limitations and prohibitions contained in section 80.

(2) Notwithstanding subsection (1), the Corporation shall at all times maintain more than 50 per cent of the book value of its total assets invested in,

(a) unencumbered debentures, bonds, stocks or other securities of or guaranteed by the Government of Canada or of or guaranteed by any province of Canada;

(b) the bonds, debentures or other evidences of indebtedness issued or guaranteed by a municipal corporation in Canada;

(c) guaranteed investment certificates issued by a trust company incorporated in Canada if, at the date of investment, the preferred or common shares of the trust company are authorized as investments under section 79;

(d) cash on hand or on deposit in a chartered bank or a loan or trust company registered under the Loan and Trust Corporations Act or a league, or the Canadian Co-operative Credit Society or other institution that is prescribed by regulation,

except that not more than 20 per cent of the book value of its total assets shall at any one time be invested in any one of investments referred to in clauses (a), (b) and (c). 1976, c. 62, s. 107.

(1) The Corporation shall insure each deposit with a credit union, except so much of any one deposit as exceeds $20,000.

(2) Where the Corporation is obliged to make payment in respect of any deposit insured by deposit insurance, the Corporation, as soon as possible after the obligation arises, shall, in respect of such deposit, make payment to such person as appears entitled thereto by the records of the credit union with whom the deposit was made, by paying such person an amount in money equal to so much of his money as is insured by the Corporation.

(3) Payment under this section by the Corporation in respect of any deposit insured by deposit insurance discharges the Corporation from all liability in respect of that deposit and in no case is the Corporation under any obligation to see to the proper application in any way of the payment so made.
(4) Where the Corporation makes a payment under this section in respect of any deposit with a credit union, the Corporation is subrogated to the extent of the payment made to all the rights and interest of the depositor as against that credit union. 1976, c. 62, s. 108.

109.—(1) No credit union that is carrying on business in Ontario shall accept deposits or moneys on account of shares after the 1st day of December, 1977 unless it is insured by the Corporation from and after that day in accordance with this Act and the by-laws of the Corporation.

(2) Where a credit union commences business in Ontario after the 1st day of December, 1977, the deposits with the credit union shall be insured by the Corporation in accordance with this Act and the by-laws of the Corporation from and after the day the credit union commences business.

(3) Where a credit union becomes insured with the Corporation, the Corporation shall issue to the credit union a certificate of deposit insurance in the form prescribed by the regulations. 1976, c. 62, s. 109.

110.—(1) The deposit insurance of a credit union may be cancelled on not less than thirty days notice to the credit union by the Corporation when,

(a) the credit union is in breach of the standards of business and financial practices prescribed by the Corporation or any of conditions of a policy of deposit insurance issued to it;

(b) the credit union ceases to accept deposits or issue shares; or

(c) an order has been made under section 116 for the Corporation to take possession of the credit union.

(2) When the deposit insurance of a credit union is cancelled by the Corporation, the deposits with the credit union on the day the cancellation takes effect, less any withdrawals from such deposits, continue to be insured for a period of two years or, in the case of a term deposit with a remaining term exceeding two years, to the maturity thereof.

(3) Where the deposit insurance of a credit union has been cancelled, the credit union shall notify its depositors of that fact and shall cease to accept deposits from the date of cancellation forward.
(4) The Corporation may, in such manner as it considers expedient, give public notice of the cancellation of deposit insurance of a credit union if, in the opinion of the Corporation, the public interest requires that such notice be given. 1976, c. 62, s. 110.

111.—(1) The Corporation shall assess and collect during its first year of operation from each league an amount equal to 1 per cent of the aggregate total share capital and deposits of each credit union that is a member of the league at the end of the fiscal year of the league immediately preceding the assessment and the league is entitled to recover an appropriate amount from each of its members.

(2) The Corporation shall assess and collect during its first year of operation from every credit union that is not a member of a league an amount equal to 1 per cent of the total share capital and deposits of the credit union at the end of the fiscal year of the credit union immediately preceding the assessment.

(3) The Corporation shall in each year thereafter assess and collect from, or refund to, each league and every credit union that is not a member of a league, in each year an amount equal to 1 per cent of the increase or decrease in the total share capital and deposits of the credit union.

(4) In addition to amounts collected under subsection (3), the Corporation may assess and collect from every credit union, directly or through a league, such further amount, based on the total amount of the shares and deposits of the credit union as at the end of the fiscal year immediately preceding the assessment, as the Corporation considers necessary to replace any advances or payments made by the Corporation in the exercise of its powers under this Act.

(5) For the purposes of the assessment referred to in subsection (4), the Corporation shall maintain separate funds for each league and a further fund to encompass the activities of all credit unions that do not belong to a league and each such assessment shall be fixed by the Corporation having regard to the financial position of each fund.

(6) All amounts assessed by the Corporation against a credit union or league for the purposes of this Act shall be deemed to be a debt owing to the Corporation and the amount thereof, together with any interest levied by the Corporation as an overdue charge is recoverable by action in any court of competent jurisdiction.
(7) A credit union shall charge any assessment levied under subsection (4) as an expense, but, notwithstanding subsection (6), a credit union may treat any other assessment levied under this section as an asset, the value whereof shall be adjusted from time to time in accordance with the financial position of the appropriate fund accumulated by the Corporation.

(8) Where in any year its earnings have exceeded its expenses, the Corporation may in its discretion declare a dividend to all credit unions participating in that fund of an amount not more than such excess.

(9) On the dissolution of a credit union, the Corporation shall repay to it an amount equal to its assessments paid under subsection (1), (2) or (3), adjusted in accordance with the financial position of the appropriate fund, and for this purpose the Corporation's evaluation of the financial position of the fund shall be conclusive. 1976, c. 62, s. 111.

112. Notwithstanding anything in this Act, the Corporation may remit or defer the collection of any assessment made by the Corporation and upon such terms and conditions as it may direct. 1976, c. 62, s. 112.

113.—(1) The Corporation shall maintain an account for each fund to be known as the accumulated net earnings to which shall be credited all earnings including realized profits on the sale of securities and to which shall be charged all expenses including operating and administrative expenses, costs of examinations and inspections of credit unions, losses and specific provisions for losses and losses on sales of securities.

(2) The accumulated net earnings for each fund shall be reported as a separate item in any statement of assets and liabilities of the Corporation and shown as an addition to or a deduction from each fund.

(3) Upon any credit union changing its status with respect to membership in any league, its contribution to the appropriate fund shall be transferred and the liabilities of the respective funds shall be adjusted accordingly, subject to the approval of the Superintendent after such audit of the credit union's affairs as seems necessary to the Superintendent. 1976, c. 62, s. 113.

114.—(1) For the purposes of the Corporation, the affairs of each credit union shall be examined by a person provided for under this section at least once in each year, and a copy
of such examination shall be forthwith transmitted by the examiner to the Corporation and the Director.

(2) The annual examination shall be made,

(a) where the credit union is a member of a league, by the league;

(b) where the credit union is not a member of a league, by the Director,

and the cost shall be borne by the Corporation, except that the Corporation may, in place of an examination made under clause (a) or (b), accept the report of the annual examination of the auditor of the credit union.

(3) The Director shall make an annual examination of each league at the expense of the Corporation, and shall give a copy of his report to the Corporation. 1976, c. 62, s. 114.

115.—(1) The person examining the affairs of a credit union under section 114 shall include in the report whether or not, in his opinion, there has been any change in the circumstances of the credit union that might materially affect the financial position of the credit union and particularly, without limiting the generality of the foregoing, whether or not, in his opinion,

(a) the assessment return made by the Corporation and in which payment to the Corporation was based are correct;

(b) the operations of the credit union are being conducted in accordance with sound business and financial practices; and

(c) the credit union is in a satisfactory financial condition.

(2) Each report shall further state whether or not, in the opinion of the examiner under section 114, there has been any contravention of the provisions of this Act and shall be served on the credit union. 1976, c. 62, s. 115.

116.—(1) Where the Corporation has received a report under sections 114 and 115, that the affairs of a credit union are not in a satisfactory financial condition, and has given the credit union an opportunity to be heard and after such further inquiry and investigation as the Corporation sees fit to make, the Corporation agrees with the report, the Corporation by order shall, itself or by some other person named in
the order, forthwith take possession of the property of such credit union and conduct its business and take such steps as in the Corporation's opinion may be taken toward the removal of the causes and conditions that have made such proceedings necessary, and for such purposes and without limiting the generality of the foregoing,

(a) the Corporation, or person named in the order, has all the powers of the board of directors of the credit union;

(b) the Corporation, or person named in the order, has power to exclude from the credit union its officers, directors, servants and agents from the property and business of the credit union; and

(c) the Corporation, or person named in the order, has power to carry on, manage and conduct the operations of the credit union and in the name of the credit union to preserve, maintain, realize, dispose of and add to the property of the credit union, to amalgamate with another credit union or to sell to another credit union all or part of its assets, subject to section 130 or 131 to receive the incomes and revenues of the credit union and to exercise all the powers of the credit union.

(2) Upon the request of a credit union, the Corporation may with respect to such credit union exercise the powers mentioned in subsection (1). 1976, c. 62, s. 116.

117. If at any time the Corporation considers that the affairs of the credit union have been placed in a satisfactory financial condition, the Corporation may return possession of the property of the credit union to it, and, upon such return, the order and the powers of the Corporation under which the Corporation took possession of the property of the credit union terminate. 1976, c. 62, s. 117.

118.—(1) A credit union may apply to The Commercial Registration Appeal Tribunal for a review of any order of the Corporation under subsection 116 (1) within thirty days after the making of the order and the delivery of a copy thereof to an officer of the credit union.

(2) The order of the Corporation takes effect immediately, but the Tribunal may grant a stay until the review is disposed of.

(3) The Tribunal shall fix a time and place for a hearing of the application and shall at least ten days before the day
fixed cause notice thereof to be served upon the applicant, the Corporation, the Director and any other person appearing to the Tribunal to have an interest in the application.

(4) Every person upon whom notice of the hearing is served and any other person added by the Tribunal are parties to the proceedings.

(5) The Tribunal shall hold the hearing and may by order direct the Corporation to take such action as the Tribunal considers proper or to refrain from taking any action specified in the order and thereupon the Corporation shall act accordingly.

(6) Notwithstanding the order of the Tribunal, the Corporation has power to make any further reports and orders on new material or where there is a material change in the circumstances, and any such further order is subject to review under this section. 1976, c. 62, s. 118.

WINDING UP

119. In sections 120 to 128, "contributory" means a person who is liable to contribute to the property of a credit union in the event of the credit union being wound up under this Act. 1976, c. 62, s. 119.

120.—(1) Where the members of a credit union by a special resolution require the credit union to be wound up, the credit union may be wound up voluntarily.

(2) At such meeting, the members shall appoint one or more persons, who may be directors, officers or employees of the credit union or a league, as liquidator of the estate and effects of the credit union for the purpose of winding up its affairs and distributing its property, and may at that or any subsequent general meeting fix his remuneration and the costs, charges and expenses of the winding up.

(3) A credit union shall file a copy of the resolution requiring the voluntary winding up of the credit union with the Director within ten days after the resolution has been passed and shall publish a notice of the resolution in The Ontario Gazette within twenty days after the resolution has been passed and in a newspaper having a general circulation in the locality in which the head office of the credit union is situate.

(4) Where in a voluntary winding up a vacancy occurs in the office of liquidator by death, resignation or other-
wise, the members by a majority of the votes cast at a general meeting called for that purpose may elect a liquidator to fill the vacancy.

(5) The members of the credit union may by a majority of the votes cast at a general meeting called for that purpose remove a liquidator previously appointed and in such case shall appoint another liquidator in his stead.

(6) A voluntary winding up commences at the time of the passing of the resolution requiring the winding up.

(7) Where a credit union is being wound up voluntarily, the credit union shall, from the date of the commencement of the winding up, cease to carry on its undertaking, except in so far as may be required for the beneficial winding up thereof, and notwithstanding that it may be otherwise provided by its charter or by-laws, its corporate existence and all its corporate powers continue until the affairs of the credit union are wound up.

(8) After the commencement of a voluntary winding up, no action or other proceedings shall be commenced against the credit union and no attachment, sequestration, distress or execution shall be put in force against the estate or effects of the credit union except by leave of the court and subject to such terms as the court imposes.

(9) Upon his appointment, the liquidator shall take custody and control of all property, rights and privileges of the credit union or to which the credit union appears to be entitled and shall take all necessary steps to wind up the credit union.

(10) Within sixty days after his appointment, the liquidator shall prepare a statement of the assets, debts and liabilities of the credit union and shall file the statement with the Director.

(11) Upon a voluntary winding up, the liquidator,

(a) shall settle the list of contributories;

(b) may, before he has ascertained the sufficiency of the property of the credit union, call on all or any of the contributories for the time being settled on the list of contributories, to the extent of their liability, to pay any sum that he considers necessary to satisfy the liabilities of the credit union, and the costs, charges and expenses of winding up and for the
adjustment of the rights of the contributories among themselves;

(c) a list of contributories settled by the liquidator is admissible in evidence as *prima facie* proof of the liability of the persons named therein to be contributories.

(12) The liquidator may, during the continuance of the voluntary winding up, call general meetings of the members of the credit union for the purpose of obtaining their approval by resolution or for any other purpose as he thinks fit.

(13) The liquidator, with the approval of a resolution of the members of the credit union passed in general meeting, may make such compromise or other arrangement as the liquidator thinks expedient with any creditor or person claiming to be a creditor or having or alleging that he has a claim, present or future, certain or contingent, liquidated or unliquidated, against the credit union or whereby the credit union may be rendered liable.

(14) The liquidator may, with the approval of a resolution of the members of the credit union passed in general meeting, compromise all debts and liabilities capable of resulting in debts and all claims, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the credit union and any contributory, alleged contributory or other debtor or person who may be liable to the credit union and all questions in any way relating to or affecting the property of the credit union, or the winding up of the credit union upon the receipt of such sums payable at such times and generally upon such terms as are agreed, and the liquidator may take any security for the discharge of such debts or liabilities and give a complete discharge in respect thereof.

(15) The liquidator shall make up an account showing the manner in which the winding up has been conducted and the property of the credit union disposed of, and thereupon shall call a general meeting of the members of the credit union for the purpose of having the account laid before them and hearing any explanation that may be given by the liquidator and with the approval of a majority of the votes within ten days after the holding of the meeting cast at the meeting, the liquidator shall send a notice to the Director stating that the meeting was held, the date thereof and requesting dissolution.

(16) The Director, upon being satisfied that the affairs of the credit union have been duly liquidated, may in
writing recommend to the Minister that the credit union be dissolved.

(17) The Minister may by order declare the credit union to be dissolved on such date as the order fixes and shall cause notice of any such dissolution of the credit union to be given in The Ontario Gazette and to the Director. 1976, c. 62, s. 120.

121.—(1) A credit union may be wound up by order of the court,

(a) where the members by a majority of the votes cast at a general meeting called for that purpose, pass a resolution authorizing an application to be made to the court to wind up the credit union;

(b) where proceedings have been commenced to wind up the credit union voluntarily and it appears to the court that it is in the interest of contributories and creditors that the proceedings should be continued under the supervision of the court;

(c) where it is proved to the satisfaction of the court that the credit union, though it may be solvent, cannot by reason of its liabilities continue its business and that it is advisable to wind it up; or

(d) where in the opinion of the court it is just and equitable for some reason other than the bankruptcy or insolvency of the credit union that it should be wound up.

(2) A winding-up order may be made upon the application of the credit union or a member or, where the credit union is being wound up voluntarily, upon the application of the Director, liquidator or contributory or of a creditor having a claim of $200 or more.

(3) Except where the application is made by the credit union, four days notice of the application shall be given to the credit union.

(4) Except where the application is made by the Director, four days notice of the application shall be given to the Director.

(5) The court may,

(a) make the order applied for;
(b) dismiss the application with or without costs;

(c) adjourn the hearing conditionally or unconditionally;

(d) make an interim or other order as it considers appropriate; or

(e) refer the proceedings for the winding up to an officer of the court for inquiry and report and may authorize the officer to exercise such powers of the court as are necessary for the reference.

(6) The court making the winding-up order may appoint one or more persons as liquidator of the estate and effects of the credit union for the purpose of winding up its affairs and distributing its property.

(7) The court may at any time fix the remuneration of the liquidator and the costs, charges and expenses of the winding up.

(8) Where a liquidator who is appointed by the court dies or resigns or the office becomes vacant for any reason, the court may fill the vacancy.

(9) The court may by order, for cause, remove a liquidator appointed by it and appoint another liquidator in his stead.

(10) A liquidator appointed by the court shall forthwith give notice to the Director and the Minister of the court order respecting the winding up and shall publish the notice in The Ontario Gazette.

(11) Where a winding-up order is made by the court without prior voluntary winding-up proceedings, the winding up shall be deemed to commence at the time of the service of the notice of the application upon the Director.

(12) Where a winding-up order has been made by the court, proceedings for the winding up of the credit union shall be taken in the same manner and with the like consequences as are provided for a voluntary winding up, except that,

(a) the list of contributories shall be settled by the court unless it has been settled by the liquidator before the winding-up order; and
(b) all proceedings in the winding up are subject to the order and direction of the court.

(13) Where the list of contributories has been settled by the liquidator before the winding-up order, it is subject to review by the court.

(14) Where a winding-up order has been made by the court, the court may direct meetings of the members of the credit union to be called, held and conducted in such manner as the court thinks fit for the purpose of ascertaining their wishes, and may appoint a person to act as chairman of any such meeting and to report the results of it to the court.

(15) Where a winding-up order has been made by the court, the court may require any contributory for the time being settled on the list of contributories, or any director, employee, trustee, receiver, banker, agent or officer of the credit union, to pay, deliver, convey, surrender or transfer forthwith, within such time as the court directs, to the liquidator any money, books, papers, registers and other records, estate or effects that are in his hands and to which the credit union is, prima facie, entitled.

(16) Where a winding-up order is made by the court, the court may make an order for the inspection of the books, papers, registers and other records of the credit union by its creditors and contributories, and any documents and records in the possession of the credit union may be inspected in conformity with the order.

(17) After the commencement of a winding up by order of the court,

(a) no action or other proceedings shall be commenced or continued against the credit union; and

(b) no attachment, sequestration, distress or execution shall be carried out against the estate or effects of the credit union,

except by leave of the court and subject to such terms as the court may impose.

(18) Where the realization and distribution of the property of a credit union being wound up under an order of the court has proceeded so far that in the opinion of the court it is expedient that the liquidator should be discharged and that the property of the credit union remaining in his hands
can be better realized and distributed by the court, the court may make an order discharging the liquidator and for payment, delivery and transfer into court, or to such officer or person as the court directs, of such property, and it shall be realized and distributed by or under the direction of the court among the persons entitled thereto in the same way as nearly as may be as if the distribution were being made by the liquidator and the court may make an order directing how the documents and records of the credit union and of the liquidator are to be disposed of, and may order that they be deposited in court or otherwise dealt with as the court considers appropriate.

(19) The court at any time after the affairs of the credit union have been fully wound up may, upon the application of the liquidator or any other person interested, make an order dissolving it, and it is dissolved on the date fixed in the order.

(20) The person on whose application the order was made shall, within ten days after it was made, file with the Director a certified copy of the order and the Director shall cause notice of the dissolution to be made in The Ontario Gazette. 1976, c. 62, s. 121.

122.—(1) The Director, after the credit union has been given an opportunity to be heard by the Director, may recommend to the Minister that an order be made dissolving a credit union if he is satisfied that,

(a) its incorporation was obtained by fraud or mistake;

(b) it exists for an illegal purpose;

(c) the number of its members is reduced to fewer than twenty;

(d) it is not carrying on business or is not in operation; or

(e) it has contravened any of the provisions of this Act or the regulations.

(2) Where the Director recommends to the Minister that an order be made dissolving a credit union, a copy of his recommendations and the reasons therefor shall be delivered to the credit union.

(3) The credit union may, within fifteen days after receiving the copy of recommendations and reasons of the Director
under subsection (2), make written submissions to the Minister in respect thereof.

(4) After considering the recommendations of the Director and the submissions, if any, of the credit union, the Minister may, in his discretion, order that the credit union be dissolved and, if necessary, shall appoint a liquidator to carry out the dissolution.

(5) The liquidator shall proceed to wind up the credit union and subsections 120(7) to (17) apply thereto, except that no approval of the members of the credit union is required thereunder.

(6) The Director upon being satisfied that the affairs of the credit union have been duly liquidated shall so report to the Minister.

(7) The Minister may by order declare that the credit union has been dissolved on such date as the order fixes and shall cause notice of the dissolution to be given in *The Ontario Gazette*. 1976, c. 62, s. 122.

123.—(1) Notwithstanding the dissolution of a credit union, each of the members among whom its property has been distributed other than the refunds of deposits, remains liable to its creditors to the extent of the amount received by him upon the distribution, and an action in a court of competent jurisdiction to enforce such liability may be brought against him within two years from the date of the dissolution and not thereafter.

(2) Where there are numerous members, the court referred to in subsection (1) may permit an action to be brought against one or more members as representatives of the class and, if the plaintiff establishes his claim as creditor, may make an order of reference and add as parties in the referee’s office all such members as are found, and the referee shall determine the amount that each should contribute towards the plaintiff’s claim and may direct payment of the sums so determined. 1976, c. 62, s. 123.

124. Subject to section 123, any real or personal property of a credit union that has not been disposed of at the date of its dissolution is forfeit to the Ontario Share and Deposit Insurance Corporation. 1976, c. 62, s. 124.

125. Upon a winding up of a credit union,

(a) the liquidator shall apply the property of the credit
union in satisfaction of all its debts, obligations and liabilities, and, subject thereto, shall distribute any remaining property rateably among the members according to their rights and interests in the credit union;

(b) in distributing the property of the credit union, debts due to the employees of the credit union for services performed due at the commencement of the winding up or within one month before, not exceeding three months wages and accumulated sickness benefits or vacation pay accrued for not more than twelve months, shall be paid in priority to the claims of the ordinary creditors, and such persons shall rank as ordinary creditors for any additional amount of their claims for wages;

(c) all the powers of the board of directors of a credit union being wound up cease upon the appointment of a liquidator except to the extent that the liquidator may permit the continuance of these powers for the purpose of assisting the winding-up proceedings.

1976, c. 62, s. 125.

126. Section 53 of the Trustee Act applies with necessary modifications to liquidators. 1976, c. 62, s. 126.

127. The costs, charges and expenses of the winding up including the remuneration of the liquidator are payable out of the property of the credit union in priority to all other claims. 1976, c. 62, s. 127.

128.—(1) A liquidator may,

(a) bring or defend any action, suit or prosecution, or other legal proceedings, civil or criminal, in the name and on behalf of the credit union;

(b) carry on the business of the credit union so far as may be necessary for the beneficial winding up of the credit union;

(c) sell the real and personal property of the credit union by public auction or private sale;

(d) borrow money on behalf of the credit union as may be necessary for the winding up of the credit union;

(e) draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the credit union;
(f) raise upon the security of the property of the credit union such moneys as may be required;

(g) take out in his official name, letters of administration of the estate of any deceased contributory and in his official name, do any other act that may be necessary for obtaining payment of any money due from a contributory or from his estate that cannot conveniently be done in the name of the credit union;

(h) do and perform all acts and other things and execute under the corporate seal or otherwise all documents in the name and on behalf of the credit union as may be necessary for winding up the affairs of the credit union and distributing its property;

(i) engage the services of a solicitor to assist him in the performance of his duty;

(j) employ an agent to do any business that the liquidator is unable to do himself;

(k) claim and, where necessary, prove any claim against the estate of a contributory for any debt or liability to the credit union;

(l) receive dividends in the distribution of an estate of a contributory in respect of any debt or liability mentioned in clause (k);

(m) compromise all calls, and liabilities to call, debts and liabilities capable of or resulting in debts, and all claims, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or alleged as subsisting between the credit union and any other person;

(n) do and execute all such other things as are necessary for winding up the affairs of the credit union and distributing its property.

(2) The execution, endorsement or making of all agreements, contracts, bills of exchange or other documents by a liquidator on behalf of a credit union has the same effect with respect to the rights and liabilities of the credit union as if the agreements, contracts or bills of exchange or other documents had been executed, endorsed or made by or on behalf of the credit union in the course of carrying on its business.
(3) The liquidator shall not exercise power granted under clause (1) (a), (d), (f), (m) or (n),

(a) in the case of a voluntary winding up, unless he has obtained the approval in writing of the Director; or

(b) in the case of a winding up by order of the court, unless he has obtained the approval of the court. 1976, c. 62, s. 128 (1-3).

(4) Clause (3) (a) does not apply where the Ontario Share and Deposit Insurance Corporation is the liquidator, 1980, c. 6, s. 1 (2).

(5) The liability of a contributory is a debt accruing due from him at the time when his liability commenced, but payable at the time when calls are made for enforcing the liability.

(6) Where a contributory dies before or after he is placed on the list of contributories, his personal representative, in administering the estate of the contributory, is liable to contribute to the property of the credit union in discharge of the liability of the deceased contributory and shall be a contributory accordingly.

(7) The court may, at any time after the commencement of the winding up, summon to appear before the court or liquidator, any director, manager, employee or officer of the credit union, or any other person known or suspected to have in his possession any of the estate or effects of the credit union, or alleged to be indebted to the credit union, or any person whom the court thinks capable of giving information concerning the dealings, estate or effects of the credit union.

(8) Where, in the course of the winding up of a credit union, it appears that a person who has taken part in the formation or promotion of the credit union or any past or present director, manager, officer, employee, liquidator or receiver of the credit union has misapplied or retained in his own hands, or become liable or accountable for money of the credit union, or has committed any misfeasance or breach of trust in relation to the credit union, the court may, on the application of a creditor, member, director, liquidator, or contributory, inquire into the conduct of that person and order him to restore the money so misapplied or retained, or for which he has become liable or accountable together with interest at such rate as the court considers
just or to contribute such sum to the property of the credit union by way of compensation in respect of the misapplication, retention, misfeasance or breach of trust as the court considers just.

(9) Where a credit union has been wound up under this Act and is about to be dissolved, the books, registers and other records and papers of the credit union and of the liquidator may be disposed of in such manner as the Director may order, in the case of voluntary winding up, or as the court may order in the case of winding up under court order.

(10) The Lieutenant Governor in Council may make regulations respecting the procedure to be followed in a winding up, and, unless otherwise provided by this Act or by those regulations, the practice and procedure in a winding up under the Winding-up Act (Canada) apply. 1976, c. 62, s. 128 (4-9).

129. Where proceedings are taken under the Winding-up Act (Canada) in respect of a credit union, the secretary of the credit union shall send notice thereof to the Director by registered mail. 1976, c. 62, s. 129.

AMALGAMATIONS

130.—(1) Any two or more credit unions may amalgamate and continue as one credit union.

(2) The credit unions proposing to amalgamate shall enter into an agreement for the amalgamation prescribing the terms and conditions of the amalgamation, the mode of carrying the amalgamation into effect, and, in particular, the agreement shall set out,

(a) the name of the amalgamated credit union;

(b) the limitation on membership in the amalgamated credit union;

(c) the name in full, callings and places of residence of the first directors of the amalgamated credit union;

(d) the time and manner of election of subsequent directors of the amalgamated credit union;

(e) the par value of each share of the amalgamated credit union;

(f) the manner of converting the share capital of each of the amalgamating credit unions into that of the amalgamated credit union;
(g) such other details as are necessary to perfect the amalgamation and to provide for the subsequent management and operation of the amalgamated credit union.

(3) Within one month after the agreement is signed, the parties shall file with the Director, in triplicate, true copies of the amalgamation agreement.

(4) The agreement is subject to the approval of the Director, and to adoption by a vote of two-thirds of the votes cast at a meeting of each of the amalgamating credit unions called for the purpose of considering the agreement within one month after the approval of the Director is given and, when so adopted, the fact shall be certified upon the agreement by the secretary of each of the amalgamating credit unions under the corporate seal.

(5) If the agreement is adopted in accordance with subsection (3), the amalgamating credit unions may apply jointly to the Minister for a certificate of amalgamation.

(6) The Minister may, in his discretion, issue a certificate of amalgamation, and on and after the date of the certificate such amalgamating credit unions are amalgamated and are continued as one credit union under the name set forth in the certificate, and the amalgamated credit union possesses all the property, rights, privileges and franchises and is subject to all the liabilities, contracts, disabilities and debts of each of the amalgamating credit unions.

(7) The Minister shall cause notice of the issue of the certificate of amalgamation to be given in The Ontario Gazette and to the Director. 1976, c. 62, s. 130.

131.—(1) A credit union may sell all or any part of its assets to another credit union or it may purchase all or any part of the assets of another credit union in accordance with this section.

(2) The agreement of purchase and sale is subject to the approval of the Director.

(3) The purchasing credit union may assume, as part of the purchase price, any or all of the liabilities of the selling credit union and may pay the balance in cash or by the issue of shares or promissory notes to the selling credit union or the members thereof whether or not such members are members of the purchasing credit union.

(4) The agreement as approved by the Director is subject
to the approval of the members of each of the credit unions by at least a two-thirds vote of the members present at each meeting, and the secretary of each credit union shall certify on the agreement that it has been so approved and shall forward a copy of the agreement so certified to the Director.

(5) Upon the approval of the members of each of the credit unions, the agreement is binding on each of the credit unions and the sale shall thereafter be completed as of the effective date specified in the agreement.

(6) In the event the agreement does not specify an effective date, the Director may fix a date upon which it will become effective.

(7) If the selling credit union has disposed of all its assets under the agreement, it shall cease to carry on business on the effective date of the agreement, except for the purpose of winding up its affairs, and it shall dissolve as soon as possible thereafter.

(8) If the total assets of the selling credit union are less than 15 per cent of the total assets of the purchasing credit union, the membership of the purchasing credit union shall be deemed to have given approval to the transaction. 1976, c. 62, s. 131.

REORGANIZATION

Amendment of Articles

132.—(1) Subject to sections 133 and 134, a credit union may, from time to time, amend its articles of incorporation to,

(a) limit or otherwise vary its powers;

(b) change its name;

(c) provide for any other matter that is authorized by this Act to be set out in the articles or that could be subject to a by-law of the credit union.

(2) An amendment under subsection (1) shall be authorized by special resolution and such further authorization as the by-laws provide. 1976, c. 62, s. 132.

133. The credit union shall deliver to the Minister, within six months after the special resolution has been confirmed by the members, articles of amendment in duplicate, executed under the seal of the credit union and signed by two officers, or by one director and one officer, of the credit union and verified by affidavit of one of the officers or directors signing the articles of amendment, setting out,
(a) the name of the credit union;

(b) a certified copy of the special resolution;

(c) that the amendment has been duly confirmed and authorized as required by section 132; and

(d) the date of the confirmation of the special resolution by the members. 1976, c. 62, s. 133.

Certificate of amendment 134.—(1) If the articles of amendment conform to law, the Minister shall, when all prescribed fees have been paid,

(a) endorse on each duplicate of the articles of amendment the word "Filed" and the day, month and year of the filing thereof;

(b) file one of the duplicates in his office; and

(c) issue to the corporation or its agent a certificate of amendment to which he shall affix the other duplicate.

Effect of certificate (2) The amendment becomes effective upon the date set forth in the certificate of amendment and the articles of incorporation are amended accordingly. 1976, c. 62, s. 134.

Restatement of Articles

135.—(1) Subject to subsections (2) and (3), a credit union may at any time restate its articles of incorporation as theretofore amended.

(2) The credit union shall deliver to the Minister the restated articles in duplicate, executed under the seal of the credit union and signed by two officers, or by one director and one officer, of the credit union and verified by affidavit of one of the officers or directors signing the restated articles, setting out,

(a) all the provisions that are then set out in the original articles of incorporation as theretofore amended; and

(b) a statement that the restated articles correctly set out without change the corresponding provisions of the original articles as theretofore amended.

(3) If the restated articles of incorporation conform to law, the Minister shall, when all prescribed fees have been paid,
(a) endorse on each duplicate of the restated articles the word “Filed” and the day, month and year of the filing thereof;

(b) file one of the duplicates in his office; and

(c) issue to the credit union or its agent a restated certificate of incorporation to which he shall affix the other duplicate.

(4) The restated articles of incorporation become effective upon the date set forth in the restated certificate and supersede the original articles of incorporation and all amendments thereto. 1976, c. 62, s. 135.

136.—(1) A credit union shall, not later than four months after the end of its fiscal year, deliver to the Director, in the form prescribed by the regulations, a statement of operations, a balance sheet and the auditor’s report, if any, and the statements shall also contain such other information as to compliance with this Act and the regulations as the Director requires.

(2) A credit union shall furnish the Director with such statements with respect to its business, finances and other affairs and with such other information as he requires and the board of directors, officers and employees shall cause their books and records to be open for inspection and otherwise facilitate any examination.

(3) The statement and other information required shall be certified by the supervisory committee and the president and by the treasurer or manager. 1976, c. 62, s. 136.

137. When the Director is required or authorized by this Act to make an examination, inspection or investigation, he may appoint in writing a duly qualified member of his staff to make such examination, inspection or investigation on his behalf. 1976, c. 62, s. 137.

138.—(1) The Director or any person authorized in writing by the Director shall review the annual statements received by him and he shall be given such additional information as he requires by both the Ontario Share and Deposit Insurance Corporation and the credit union and he may visit the head office of each credit union and he may inspect and examine into the conditions and affairs of any
credit union and shall be given access to all books, records and other documents and may make such inquiries as are necessary to ascertain its condition and ability to provide for the payment of its liabilities as they become due, and whether or not it has complied with this Act.

(2) Where the Director considers it necessary and believes on reasonable and probable grounds that a credit union is unable to provide for the payment of its liabilities as they become due he shall immediately report thereon in writing to the Ontario Share and Deposit Insurance Corporation.

(3) Where the Director believes on reasonable and probable grounds that a credit union has failed to comply with the provisions of this Act or the regulations and it is expedient to make a further examination into the affairs of a credit union, the Director may, in his discretion, visit or cause a member of his staff to visit any office of the credit union to inspect and examine into its affairs and to make such further inquiries as the Director may require.

(4) For the purpose of the examination referred to in subsection (5), the credit union shall prepare and submit to the Director such statements with respect to its business, finances or other affairs, in addition to the statement mentioned in section 136, as the Director may require, and the board of directors, officers, agents and servants of the credit union shall cause its books to be open for inspection and shall otherwise facilitate such examination.

(5) Upon such inspection or examination, the Director, or any person authorized by him, has the powers of a commission under Part II of the Public Inquiries Act, which Part applies to the inquiry as if it were an inquiry under that Act. 1976, c. 62, s. 138.

139.—(1) Where it appears to the Director from an examination of the condition and affairs of a credit union that the assets are shown on the statement mentioned in section 136 at an amount greater than the true value, he may require the credit union to set aside out of earnings such additional reserves as he considers necessary, and, where in his opinion the value of the assets of the credit union is less than its liabilities, including the deposits and share accounts of its members, the Director may prohibit the credit union from taking further deposits or payments to its members, or may limit such payments for such period as he considers necessary to protect the interests of the members,
and he may take such other action as he considers necessary for the protection or in the interest of the members, including the calling of meetings of members and having his representative attend the meeting for the purpose of explaining the situation to the members.

(2) The Director may order a credit union to discontinue doing business for such time as he determines if, after an inspection thereof, he is satisfied that the continuance in business of the credit union is not in the members interest and shall report forthwith to the Ontario Share and Deposit Insurance Corporation the order made and the reasons therefor. 1976, c. 62, s. 139.

EXTRA-PROVINCIAL CREDIT UNIONS

140.—(1) Where the Government of Ontario has entered into an agreement providing for reciprocal rights for credit unions with the government of a province or territory of Canada, a credit union incorporated under the laws of that province or territory may register under this Act for such purposes as are specified in the agreement.

(2) The Director shall maintain a register called the “Extra-Provincial Credit Unions Register” wherein shall be recorded the names of the credit unions registered and the limited purposes to which they are subject in Ontario.

(3) No credit union that is an extra-provincial corporation within the meaning of the Corporations Act shall be licensed under that Act as an extra-provincial corporation unless it has been first registered under this Act by the Director. 1976, c. 62, s. 140.

OFFENCES

141.—(1) Every person who,

(a) refuses or neglects to make an entry in any record required by this Act, the regulations or the by-laws to be kept;

(b) refuses to produce any document or record of a credit union for the purpose of any inspection, examination or investigation authorized by this Act, the regulations or the by-laws;

(c) obstructs any person authorized by this Act, the regulations or the by-laws to inspect, examine or investigate the affairs of the credit union,
is guilty of an offence and is liable on conviction to a fine of not more than $2,000.

(2) Where a corporation is guilty of an offence referred to in subsection (1), every director or officer thereof who authorized, permitted or acquiesced in the offence is also guilty of the offence and on conviction is liable to a fine of not more than $2,000. 1976, c. 62, s. 141.

142.—(1) Every person who makes or assists in making a statement in any document required by or for the purposes of this Act or the regulations or the by-laws of a credit union that, at the time and in the light of the circumstances under which it was made, is false or misleading in respect of any material fact or that omits to state any material fact the omission of which makes the statement false or misleading is guilty of an offence.

(2) No person is guilty of an offence under subsection (1) if he did not know that the statement was false or misleading and in the exercise of reasonable diligence could not have known that the statement was false or misleading. 1976, c. 62, s. 142.

143.—(1) A credit union that is in default of filing the annual statement required by section 136 is guilty of an offence and upon conviction is liable to a fine of not more than $50 for each day such default continues.

(2) A credit union that is in default of payment of any assessment made on it by the Ontario Share and Deposit Insurance Corporation is guilty of an offence and upon conviction is liable to a fine of not more than $50 for each day such default continues. 1976, c. 62, s. 143.

144.—(1) Every person who is guilty of an offence under this Act for which no penalty is otherwise provided is liable on conviction to a fine of not more than $2,000 or, if such person is a corporation, to a fine of not more than $10,000.

(2) Where a corporation is guilty of an offence referred to in subsection (1), every director or officer thereof who authorized, permitted or acquiesced in the offence is also guilty of the offence and on conviction is liable to a fine of not more than $2,000. 1976, c. 62, s. 144.
The Lieutenant Governor in Council may make regulations,

(a) prescribing the procedure and forms to be used under this Act;

(b) requiring and prescribing the fees payable for incorporation of credit unions and credit union leagues, for amalgamation of credit unions, for changing the name of credit unions, upon filing any articles of incorporation, return or other document required or permitted to be filed under this Act, for searches, and for certified copies of certificates of incorporation and other documents;

(c) respecting the holding of first meetings, the notice calling the meeting, the quorum, and the business to be transacted;

(d) prescribing matters to be shown in financial statements under clause 71 (2) (a);

(e) governing the operations and powers of branches of credit unions;

(f) governing credit unions and leagues of credit unions;

(g) prescribing any matter required by this Act to be prescribed by the regulations. 1976, c. 62, s. 145.